FBIS DAILY REPORT

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DEFENSE MINISTER MEETS WITH U.S. GEN GALVIN

PY272047 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1044 GMT 27 Jan 87

[Text] Buenos Aires, 27 Jan (NA) -- Defense Minister Horacio Jaunarena and U.S. Army Southern Cone Commander General John Galvin yesterday reviewed the relationship between the two nations concerning military affairs, drug trafficking, and the Central American situation.

During the meeting, the possibility of incidents in the South Altantic as a result of the economic exclusion zone established by Great Britain, which will become effective on 1 February, was reportedly also discussed.

Defense Ministry sources have denied that the eventual verification of incidents with Great Britain as a result of the unilateral declaration of a fishing exclusion zone was the "main issue" of the talks held yesterday between the U.S. military officer and the defense minister. "It was a review of bilateral relations, which became necessary after the appointment of a new U.S. ambassador to Argentina," a Defense Ministry source said.

Nevertheless, diplomatic sources admitted that issues related to drug trafficking and the Central American situation "in general," without excluding the Nicaraguan crisis, were also discussed during the talks.

Concerning the verification of possible incidents in the South Atlantic as soon as the fishing exclusion zone is implemented, Defense Ministry sources stated that it is an "eminently diplomatic" issue and that the Foreign Ministry will handle it.

Shortly after talking with Minister Jaunarena, Gen Galvin met with Joint Chief of Staff Brigadier General Teodoro Waldner and invited him to visit the Southern Cone Command headquarters.

In addition to the defense minister and the high-ranking U.S. military officer, also present at the meeting were U.S. Ambassador Teodoro Gildred, Galvin's personal assistant Bernard Loeffts, and his political adviser, Bert Moon.

The sources refused to confirm whether the U.S. military officer had tackled the issue concerning Argentina's return to the UNITAS operations which are held periodically and were interrupted as a result of the Malvinas war in 1982.

CAPUTO RETURNS FROM NEW YORK, CANCELS INDIA TRIP

PY260117 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1436 GMT 25 Jan 87

[Excerpt] Buenos Aires, 25 Jan (NA) -- Foreign Minister Dante Caputo this morning arrived at Ezeiza International Airport from New York, after canceling his trip to New Delhi, where he was to attend a meeting of the Africa Fund, an organization consisting of chiefs of state of nonaligned countries designed to help the victims of South Africa's apartheid.

Caputo, who arrived shortly before 1100 [1400 GMT] on board Pan American flight 123, immediately boarded a car, thus avoiding a group of newsmen.

Caputo canceled his trip to India because of a heavy snow storm that forced the closure of New York international airport and the suspension of air traffic for several hours. [passage omitted]

RIGHTS TRIALS AGAINST MILITARY TO CONTINUE

PY252217 Buenos Aires BUENOS AIRES HERALD In English 24 Jan 87 p 11

[Text] The Federal Court considers that the government's instructions to federal prosecutors "do not in any way block the progress of the cases" of military officers charged with human rights violations, said sources close to the appeals court.

Meanwhile, Attorney-General Juan Gauna formally received the government's instructions and will now have to pass them on to the prosecutors.

It was also known that the Federal Court will probably not be taking on the cases of human rights abuses committed at the ESMA Navy Mechanics School until the beginning of February.

The two court members working during the holidays, Ricardo Gill Lavedra and Jorge Valerga Araoz, will reportedly wait for the return of the other three members, Leon Arslanian, Diego Perez, and Andres D'Alessio, to take that step.

In related news, the Defense Ministry replied in time to the Bahia Blanca Federal Court's request that it present a detailed report on the military personnel who served in the region during the war against left-wing subversion, reliable sources said yesterday.

The court's request is directly related to the investigation of some 200 cases of human rights violations committed in Bahia Blanca, Rio Negro, and Neuquen.

The Bahia Blanca Court which from the beginning of the year has been working full-time on the reception of evidence of illegal repression, had set last night as the deadline for the presentation of the report on Armed Forces personnel who took part in the so-called dirty war during 1976-77.

The request, prompted by those who filed the accusations, caused the Permanent Assembly for Human Rights (APDH) to issue a statement complaining to Defense Minister Jose Horacio Jaunarena about his "reluctance to efficiently and opportunely co-operate with justice."

The court's impatience is due to the need to establish beyond a shadow of a doubt the identities of the officers and noncommissioned officers who served in the Fifth Army Corps during the functioning of clandestine detention centres at the Engineers Battallion 181 (currently 161), Neuquen and Regiment 181, Villa Floresta, outside Bahia Blanca.

Sources said that a Defence Ministry official called the court to inform them that the report had been mailed and was on its way.

The Bahia Blanca Federal Appeals Court also reported yesterday that there is no conflict of jurisdiction with the Armed Forces Supreme Council over the submission of 13 human rights cases for the military court's review, which must be sent back to the civilian court by next February 2.

The federal court explained that the 13 cases were sent to the Supreme Council last December 30 because they had not gone through the corresponding military instance of trial.

Although no question of competence was said to exist, the civil court denied the extension of the 30 days to 180 as requested by the military court to analyze the cases.

Judge Raul Wender, acting head of the Tucuman Federal Appeals Court, rejected the complaints presented by retired Generals Luciano Benjamin Menendez and Antonio Domingo Bussi for "manifest emnity," against the accused in the cases of human rights violations being investigated by the court. He said he had never been either a friend or enemy of the two.

Finally, the La Plata Federal Appeals Court yesterday ruled itself competent to take on six cases out of a total of nine related to the trials of Buenos Aires military and police officers charged with excessive repression. Sources said two police officers had been called in to testify.

ALFONSIN WRITES TO PARAGUAYAN OPPOSITION LEADER

PY212358 Asuncion HOY in Spanish 20 Jan 87 p 8

["Text" of letter sent by Argentine President Raul Alfonsin to Miguel Abdon Saguier, Paraguayan opposition leader of the Authentic Radical Liberal Party who is in prison on charges of sedition]

[Text] Presidency of the Argentine Nation, Buenos Aires, 4 December 1986

Dear friend:

I received your letter which moved me because it comes from a man who is struggling for the ideals of freedom and social justice of the great Latin America cause.

The Argentine democracy is aware of your responsibility to your Latin American brothers and strongly believes that the greatness of our countries will only be achieved with the full enforcement of democracy, which is the necessary step to achieve the longed for continental integration.

In this emergency, dear friend, we value your expression of solidarity and we interpret it as another demonstration of the good relations between our peoples.

You should know that we appreciate your sacrifice as well as the sacrifice of many other Latin American countrymen, because we believe that the full enforcement of human rights in our nations depends on the joint efforts of people like us who assume the responsibility to become public servants in whatever role we are given.

With this conviction in mind, I convey to you my personal greetings.

Sincerely, Raul Alfonsin

U.S. CHARGED WITH BOYCOTTING ARMS INDUSTRY

PY271957 Sao Paulo VEJA in Portuguese 21 Jan 87 p 35

[Text] The Aeronautics Ministry has discovered that the United States is exerting pressure on another Brazilian productive sector: the national arms industry, which has been unable to buy abroad some computers needed for manufacturing military equipment. In addition to boycotting the sale of computers, the United States has persuaded Japan and the FRG not to do business with Brazilian companies. The U.S. purpose is to prevent the growth of the Brazilian arms industry.

AVIBRAS SENDS ROCKETS TO MIDDLE EAST

PY220121 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Jan 87 p 4

[Text] Avibras [Brazilian Aerospace Industry] yesterday sent another shipment of SS-type (ground-to-ground) rockets to Alexandria, Jiddah, Saudi Arabia, and Jordan aboard the freighter Fathulkair, which flies a Qatari flag. The rockets were shipped in 64 containers weighing about 1,000 tons. The shipment was made amid strong security measures that were controlled by the highway patrol and firemen. The rockets arrived on 19 January at the port of Santos from Sao Jose dos Campos. The Fathulkair, which was docked at CODESP [expansion unknown] pier No 37, is scheduled to leave early today.

FUNARO COMMENTS ON AGREEMENT WITH PARIS CLUB

PY221747 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 22 Jan 87

[Excerpts] After 2 days of intense negotiations, the Brazilian Government has reached a good agreement with the Paris Club for rescheduling its foreign debt. [passage omitted]

While announcing this agreement, Finance Minister Dilson Funaro said that it will help to improve conditions for financing the Brazilian economy. In a note to the press, the finance minister explained that this agreement will also strengthen Brazil's position in its debt negotiations with private banks. He added that the agreement with the Paris Club was reached through responsible negotiations, which defended Brazilian interests without resorting to subservient attitudes similar to those which have created so many difficulties for Brazil in the recent past. Then, Minister Funaro commented on the results of these negotiations:

[Begin recording] I believe that the most important point of this negotiation was its political aspect. This agreement between the Paris Club countries and Brazil was signed after 1 year of debate and search for new channels which may allow Brazil to join the international financial market. [end recording]

Minister Funaro also said that the next step will be an agreement with private bankers. Central Bank President Fernao Bracher will travel to Washington next week to try to obtain $3 to $4 billion from the World Bank and other private banks.

Sarney Explains Negotiations

PY231528 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 23 Jan 87

[Excerpts] President Sarney today began his radio program "Chatting by the Radio" by mentioning the recent installation of two more turbines at Itaipu Dam. He said that the purpose of this dam is to reduce the possibility of energy rationing in the central-southern region. [passage omitted]

Sarney also commented on the agreement to reschedule the Brazilian debt, which was signed with the Paris Club this week.

[Begin Sarney recording] Under the agreement, the Paris Club accepted the Brazilian position of dispensing with IMF monitoring of the Brazilian economy. There was no clash with the IMF, but we did not want to agree to two things: First, we did not want to commit ourselves to international obligations that we cannot fulfill. Second, we did not want to renounce our sovereignty. We are the ones who are interested in and responsible for stabilizing our economy. We know how to choose the best way to do it, and we cannot allow international auditors to make decisions on our behalf. We have our objectives and our duties. On the one hand, we have a foreign debt, but on the other hand, we have a greater social debt. We have to pay the latter first, and this can only be done through economic growth and increased employment. We have already achieved this growth and created many jobs, and will continue to do so.

Thus, I can assert that our determination and our endurance show that we are following the right road. The greatest countries of the world have put their trust in Brazil, in its vigor, and in its government. If Brazil is trusted abroad, why should some Brazilians not trust their country? [end recording]

Paris Club Accord Praised

PY231953 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 23 Jan 87

[Text] President Sarney was euphoric about the result of the negotiations with the Paris Club yesterday when he met with several congressmen at the Planalto Palace. He told Carlos Chiarelli, Liberal Front Party [PFL] leader in the Senate, that the result of the negotiations represents a sensational victory, because it grants the government the tranquillity of being able to predict a 5 to 7 percent growth in 1987.

Industry and Trade Minister Jose Hugo Castelo Branco believes that Brazil must pay its foreign debt within a period of time and at a rate that Brazil can afford to pay, without impairing its growth. In Castelo Branco's opinion, greater national wealth and an increase in the GDP will make the debt become insignificant.

Deputy Jose Lourenco, PLF leader in the Chamber of Deputies, said that the fact that the Paris Club approved of rescheduling part of the Brazilian foreign debt must be considered a great victory for Sarney. He said that the fact is more important because this is the first time any country has obtained this type of approval. He said that this was another step toward obtaining better conditions for the payment of the Brazilian foreign debt.

Science and Technology Minister Renato Archer said that the Brazilian agreement with the Paris Club is Finance Minister Dilson Funaro's victory. Archer said that Funaro has always believed that an agreement could be reached without IMF approval. He added that this agreement will grant Brazil better conditions for negotiating its debt with private creditor banks.

FUNARO HINTS AT NEW ECONOMIC PACKAGE, 'TRUCE'

PY261922 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 26 Jan 87

[Text] Finance Minister Dilson Funaro has said that the government is not going to implement a price freeze the way it did on 28 February 1986. Funaro pointed out that the commitment of the new Republic is to guarantee the real gains of 1986 and the low unemployment level. The minister added that there was price abuse, especially during January, when some sectors increased prices up to 50 percent. He also reaffirmed that the salary escalator clause, known as the salary trigger, will be maintained for all workers and triggered for the January inflation which will be 11.2 percent.

Funaro believes that it is necessary to have a truce of 90 or 120 days. He confirmed that price readjustments will be conducted gradually and that the new economic measures will be announced this week. Funaro also denied the resignation of Central Bank President Fernando Bracher.

Funaro believes that the request made by businessmen to increase industrial products by 25 percent is too high. He added that the sectors which did not have any price readjustment since 28 February will be considered.

Funaro reported that meat will not be put on the price list because the trend for beef price increases reached 600 cruzados per arroba [15 kg] and is now at 480 cruzados. Regarding house renting problems the minister said that this will only be solved by more construction. He also gave assurances that the OTN [National Treasury Order] will be readjusted on 28 February according to schedule. The minister also discarded the idea that interest rates will be set. He explained that the idea of the truce alone has already caused interest rates to fall. Funaro also announced the creation of the National Service for Price Control [Service Nacional de Controle de Preco -- SNCP] which will operate in states and municipalities.

BISHOPS' CONFERENCE ADVOCATES CIVIL DISOBEDIENCE

PY232040 Madrid EFE in Spanish 1725 GMT 23 Jan 87

[Text] Manaus, 23 Jan (EFE) -- The Brazilian Confederation of Bishops believes that civil disobedience is the tool that the destitute must use when the government adopts economic measures against the interests of the people.

In a meeting called the "Participation of the People in the New Constituent Assembly," which was held in Manaus, Luciano Mendes de Almeida, secretary general of the confederation, said that the Catholic Church will continue to use its right to supervise the government as a means of exerting democratic pressure.

The new constituent assembly will begin on 1 February. It will be made up of 559 deputies and senators. Mendes de Almeida insisted that the workers also have the right to strike and to protest against the injustices of an unfair society.

In a lecture hall in Manaus, some 3,000 teachers, political and community leaders, priests, members of religious orders, and workers, have discussed means of exerting "democratic pressure" during the constituent assembly debates.

FURTHER ON FEBRES KIDNAPPING, AFTERMATH

Congress President on Resolution

PA221349 Quito Voz de los Andes in Spanish 1130 GMT 22 Jan 87

[Text] The special congressional session which approved -- by 38 votes in favor, 29 against, and 2 abstentions -- a request urging the president to submit his resignation to allow constitutional succession to take place ended at 0100 today, Thursday.

Closing the session, Congress President Andres Valleyo said that the session was held to seek a change in course for the government and consolidate democracy and that this goal was achieved. A leader must never close his eyes to reality. He must never distort it. He must rectify his mistakes, Vallejos said.

Yesterday's session was a permanent one, and this was decided by 48 of the 57 deputies who were present.

In general, the views presented by the various factions were similar to those expressed the day before. Each faction voiced very harsh statements, and there were even some incidents [not further explained].

Several deputies received threatening telephone calls and a wave of rumors circulated late last night about possible reprisals against congress by forces that support the regime.

At the end of the session, Vallejo announced that he will convoke another special period of sessions to reorganize important state entities, in an apparent reference to the Constitutional Guarantees Tribunal and the Supreme Electoral Tribunal.

Vice President's News Conference

PA230012 Quito Radio Quito in Spanish 2330 GMT 22 Jan 87

[Excerpts] Talking with the local and international journalists, Ecuadoran Vice President Blasco Penaherrera Padilla answered questions by newsmen regarding the problem the country faced with the kidnapping of President Leon Febres Cordero in Taura. [passage omitted]

[Begin Penaherrera recording, in progress]...the crime will be handled through the normal action of the judicial branch. In Ecuador, the judicial branch is independent of the executive branch, as president Leon Febres Cordero has stated.

Second, I will like to take advantage of your question to state that this was a deplorable and despicable incident. It has caused very serious damage to Ecuador's image. It has hurt its short-and long-term interests in international relations. However, I do not think that because of it the country should be judged as it has been by certain news media. I am specifically referring to the great French newspaper LE MONDE. I would not like to remind its writers of the bloody history of noble and glorious France, but rather of recent attempts by Algerian jackals to kill President Charles De Gaulle. What happened to President Leon Febres Cordero could have happened to General De Gaulle. It did not happen to De Gaulle due to lucky circumstances rather than because of differences in behavior.

To the very respectable U.S. media, I would like to say that it surprises us that the White House is still called the White House. It should be called the Red House instead for the history of violence it has generated or brought about.

Therefore, as vice president of the Republic, I protest the grotesque manner in which Ecuador is being depicted. A group of people acting insanely cannot help but cast shadows, besmirch, or dishonor a people like ours, small yet dignified. [applause] [end recording]

Further On Penaherrera Remarks

PA232342 Quito Voz de los Andes in Spanish 1130 GMT 23 Jan 87

[Excerpts] After stating [at his 22 January news conference] that the congressional resolution demanding that Ecuadoran President Febres Cordero resign is a political resolution and has no legal consequences, Ecuadoran Vice President Blasco Penaherrera Padilla said he does not aspire to the country's presidency but wants to complete his constitutional period as vice president of Ecuador, a period which ends in 1988.

Blasco Penaherrera pointed out that he has good relations with President Febres Cordero, and he exhorted the Ecuadoran people to be calm. He stressed that the constitutional regime is not in danger, although the crisis under which Ecuador is living has been aggravated. [passage omitted]

In regard to meeting with President Febres Cordero, Penaherrera Padilla said:

[Begin recording] [Penaherrera] In the last 24 hours, the situation has not allowed President Febres to have regular conversations with any government official. He is carrying out his most urgent duties.

[Reporter] Not even with the country's vice president?

[Penaherrera] There has been no need for a meeting. I do not see any irregularity in this situation and I do not observe any growing contradiction in this. [end recording]

Regarding the principle of authority, Vice President Penaherrera said:

[Begin recording] [Penaherrera] I think the principle of authority is being maintained and will be maintained so long as the citizens, the media, and the leaders of public opinion maintain the behavior they fortunately maintained during last week's tragic days. If they maintain that behavior, the principle of authority will be maintained, because the principle of authority does not originate in individual attitudes, but in a collective consensus.

[Reporter] How will President Febres Cordero fulfill the agreement....

[Penaherrera interrupts] President Febres has already answered that question, stating that the legal or criminal analysis of the Taura events is a duty of the proper, competent judges, not a responsibility of the executive branch or the national congress. [end recording]

In conclusion, Vice President Penaherrera said that during the events at Taura Air Force Base on 16 January, there was no power vacuum. He added that he did not assume the presidency because there was no need to do so, despite the suggestion of several legislators and other state sectors. In addition, Penaherrera said that the Taura events had harmed the country's economic image in the international banking area.

Vargas Weighs Political Role

PA231801 Paris AFP in Spanish 1620 GMT 23 Jan 87

[Text] Guayaquil, Ecuador, Jan 23 (AFP) -- Rebellious Ecuadoran General Frank Vargas Pazzos, who headed a military rebellion in March 1986, was arrested, and exchanged at the end of last week for the kidnapped President Leon Febres Cordero, said today in Guayaquil that "he may have success in politics." "I am sure that if I achieved success in all aspects of military life, I could achieve success in political life," affirmed Vargas Pazzos during an exclusive interview with the magazine VISTAZO, which also published a Febres Cordero interview.

Vargas Pazzos, former chief of the Ecuadoran Air Force, has been living in secrecy since last Saturday, following the exchange on Friday for Febres Cordero, who was kidnapped by a group of paratrooper commandos loyal to Vargas Pazzos.

Vargas Pazzos denied that the kidnapping at the Taura Air Force Base in Guayaquil can be interpreted as "a sergeants' revolution." "The leadership of the military authority commanding that base failed. They did not have the capacity to command and achieve conscious obedience," Vargas Pazzos said. He added: "From the military point of view, when soldiers are insubordinate it means there is a lack of leadership and the conditions for respect do not exist, possibly because many military regulations were violated."

Vargas Pazzos denied that he was aware of or had planned the riot, because he was held in solitary confinement during his arrest at a Quito military garrison following his armed rebellion in March 1986. "How could I have been able to organize or conduct an action that requires previous planning?" he asked VISTAZO.

Regarding Febres Cordero's kidnapping, he said: "Although the president has offended me and annoyed me, I regret this situation. With all respect -- not only for the president, but for all Ecuadoran people -- I hope that this will not occur again. However, it is necessary to understand the causes of this action."

"I believe that the soldiers themselves felt all outrages committed against me and at the same time were remembering the quality of the human being who struggled with them -- because my command was not legal, it was moral." he added. Responding to why the esprit de corps emerged as it did, he said that it was "possibly because of the treacherous declarations and the personal offenses made by the president against me."

Regarding his political aspirations and his possible candidacy for the Presidency, he said that nominations "are made by groups of citizens and organized parties" that select among the possible candidates. He added that he has been told that he can "usefully serve with dignity in a state leadership position, not necessarily the Presidency of the Republic."

Vargas Discusses Coup

PA251340 Hamburg DPA in Spanish 1232 GMT 25 Jan 87

[Text] Madrid, 25 Jan (DPA) -- In an interview granted to the Spanish newspaper El PAIS, Ecuadoran General Frank Vargas, who was released in exchange for President Leon Febres Cordero who had been abducted by paratroopers, today threatened to stage a coup d'etat against Febres Cordero. He also does not rule out the possibility of becoming a presidential candidate in the Andean country. In the interview granted to the Madrid newspaper in a mansion in the outskirts of Quito, the general, who is now in hiding, stated the following:

"I believe conflicts must be resolved within the law as much as possible, but if this does not occur, and if demands are made within the law and the reply is state repression, persecution, and assassination, then I believe that you have the answer, any free citizen has the answer: the principle of self-defense. I believe the struggle in any field and by any means in that case is justified.

"To answer your question about whether I would take up arms, it depends on the tyrant (Febres Cordero). Either he changes his manner, by living in a constitutional and democratic system or he resigns, thus preventing a confrontation among the people. I do not think he will reach the end of his term," the general stated.

"You want me to tell you something? Febres Cordero was the one who suggested to me a coup d'etat against President Oswaldo Hurtado. Yes, he once invited me over and proposed the overthrown of Dr Hurtado, and I turned him down," Vargas added.

"The president has promoted (in the Army) anyone he pleases. He has withheld promotions from people who do not serve his particular interests, the big business interests..."

"I think that if I am given the opportunity to express my ideas in public I would feel like a fulfilled man because I know my words will be heard," he stated.

Vargas then referred to the release of the paratroopers arrested for rebellion. "I will do it, sir. I cannot be indifferent. I should and must do it. Unfortunately, after being in a jail of the inquisition for 10 months, I must take precautionary measures for my freedom because I know the current situation and all the efforts that I might take could be lost. [sentence as received] This is why I am in hiding and from this clandestine situation I will continue struggling not only for the group of paratroopers but for the aspirations of many interests and the desires of our people now being trampled," the general stated in conclusion.

Salazar Promises Court-Martial

PA271717 Paris AFP in Spanish 1623 GMT 27 Jan 87

[Text] Quito, 27 Jan (AFP) -- Ecuadoran Defense Minister General Medardo Salazar, retired, today said in Quito that the rebel airmen who kidnapped President Leon Febres Cordero "ceased to be under his orders" and have been placed under the military justice system.

Military sources in Guayaquil said that the rebels will be court-martialed.

Salazar reported that the 2 officers and 79 commandos involved in the kidnapping, which ended with an exchange of the president for General Frank Vargas Pazzos, are bing held at various military garrisons under the orders of Quito's first air zone court.

He said that they enjoy full guarantees, that a 3-physician team from the various Armed Forces services was appointed, and that complete list of the arrested and their places of detention was sent to the president of the Constitutional Guarantees Tribunal (TGC), where family members of the airmen began a hunger strike on Friday.

The airmen's relatives have asked the TGC to establish a commission to guarantee the human rights and personal safety of the rebels, presumed to have been mistreated. The disappearance of one them, Captain John Maldonado, was also rumored.

The defense minister denied these reports and said that Capt Maldonado is on the list of detainees.

Meanwhile, TGC President Rene de la Torre said that he has met three times with Salazar, who told him that the rebels are under "preventive military arrest" and offered to allow them to be visited this week by their families, the TGC, and the Red Cross.

De la Torre said he is confident the relatives will end their hunger strike soon.

According to the Quito newspaper HOY, "in conformity with standing military law, a court-martial" will try the airmen, "whose crimes have been classified as an attempt against the states' security," a crime punished by "severe sanctions."

The newspaper cited "military crimnal law circles" of the second air zone with headquarters in Guayaquil, where proceedings began. On Friday, Stalin Vaca, the military criminal law judge in that jurisdiction, sent the military criminal law judge in the first air zone in Quito the files on the trial that began in Guayaquil, site of the Taura air base, where Febres Cordero was held hostage.

The commandos were later transferred to this capital, where proceedings will continue.

GOVERNMENT 'DISPLEASED' WITH TAYLOR'S BEHAVIOR

PY211823 Asuncion Red Privada de Television in Spanish 1500 GMT 21 Jan 87

[Interview with Paraguayan Interior Minister Sabino Augusto Montanaro by unidentified reporters on 21 January in front of the Government House in Asuncion]

[Text] Journalists accredited to the Government House have asked the interior minister about a U.S. Embassy communique which was rejected by the Paraguayan Foreign Ministry on 20 January. Minister Montanaro addressed that issue and other domestic political topics.

[Montanaro] This has confirmed what we have long said -- that is, the behavior of U.S. Ambassador Clyde Taylor is far from that of an impartial diplomat who observes our institutional life. As we see it, the way he has been meddling in our domestic affairs... [changes thought] Contrary to what some people have said, and it is not only my opinion, now the Foreign Ministry has expressed its concern over this direct interference. In fact, there has been an attempt to pass judgment on the government's decision to enforce measures to preserve the security and tranquillity of the nation and, above all, to repress subversive activities carried out by radio stations or undertaken by politicians trying to destabilize our country.

[Question] In a recent public statement, you said the ambassador could ... [changes thought] that is he should leave if he does not like living in Paraguay. Is there any possibility...

[Montanaro, interrupting] No. I clearly said that the Colorado people and the Colorado Party might declare him persona non grata, but that should not occur because the ambassador will certainly realize that this will not occur and will ask to be transferred before it happens. Neither the government nor the ministry have made a decision yet. The opinion stated is the opinion of the Colorado Party members and of the presidents of the Colorado precincts.

Some people have said that I have spoken for myself when I said that Mr Taylor's statements were inappropriate. Why do other people say that Mr Taylor is behaving properly? On whose behalf are they speaking? To those who say that Mr Taylor is behaving properly, I would ask them on whose behalf they are speaking. I am not really concerned about what Vazquez [not further identified], who is an opportunist, has said. I am even less concerned about Atilio Fernandez. Many people have expressed their ideas on what I have said. I am reassured and pleased by the answer my words have elicited among the presidents of the Colorado precincts and among the many fellow party members who have applauded, approved of, and supported my statement. I do not have to say that so-and-so has authorized me to speak. I am satisfied with the applause and the support my words have received.

[Question] Dr Pedro Pena, a party leader, has said that your statements...

[Montanaro, interrupting] I am talking precisely about him. He said he approves of [the ambassador's] behavior and that the ambassador is correctly doing his job. I have spoken for myself, but what about him, on whose behalf is he speaking? He is a political secretary and I want to know on whose behalf he is speaking. We are familiar with his mentality. Let him continue with his way of thinking, because I have my own ideas. Thank you very much.

[Question] Can we say that relations with the United States have totally deteriorated?

[Montanaro] No, relations have not deteriorated. The government and the Colorado Party are displeased with the ambassador's behavior. This does not mean that there are disagreements between the two governments or in connection with U.S. policy in Paraguay. This is our opinion of Mr Taylor's behavior.

Colorados Support Montanaro

PY230224 Asuncion ULTIMA HORA in Spanish 22 Jan 87 p 11

[Text] After the meeting with Colorado Party [ANR] precinct presidents, who informed him that they had issued a statement expressing their support for his statement regarding U.S. Ambassador Clyde Taylor, Interior Minister Sabino Augusto Montanaro said this morning: "I am no Al-Qadhdhafi, as some say, nor do I want to be in the news all the time."

Asked about his meeting with ANR precinct presidents, the interior minister said: "I want to thank all the presidents of the ANR precincts for their gesture, for their words, and for the support they have expressed to me now, and on other occasions."

He added: "I told them that by doing this I do not intend to be an Al-Qadhdhafi, or even to be in the news all the time, because I have a lot of work to do. Let me work, because we have a lot of work to do here." The politician later said that he is very happy with the position taken by the ANR precinct leaders from Asuncion and the interior of the country which they expressed in a communique.

Montanaro added that he will continue to uphold the same position and to struggle for the well-being of the Paraguayan people in his capacity as interior minister.

During a meeting at the "Los Pilinchos" weekend retreat in Piribebuy, Montanaro made a statement in which he particularly referred to U.S. Ambassador Taylor.

Several politicians from different political parties have stated their opinion on the subject. Speaking about the issue, Radical Party Legislator Ramon Lezcano Torres said: "By threatening Uncle Sam [preceding two words in English] with Colorado Party bombs, Minister Montanaro seems to be a Latin American Al-Qadhdhafi."

Colorado Leader's Qualification

PY211411 Asuncion EL DIARIO in Spanish 21 Jan 87 p 8

[Excerpt] Dr Pedro Hugo Pena, the Colorado Party political secretary and a deputy of the Colorado Party, has stated that Interior Minister Sabino Augusto Montanaro, the Colorado Party second vice president, "acted in a strictly personal and subjective manner" when he voiced serious warnings to the U.S. ambassador to Paraguay, Clyde Taylor, during a political meeting in Piribebuy.

At this meeting, the interior minister said that Taylor could be declared persona non grata by the Colorado Party precincts and by the Colorado Party assault battalions. He also invited Taylor to leave the country if he did not like it.

Asked about the current activities of the chief of the U.S. diplomatic mission and the statement made by the interior minister, Pena said: "That is a statement in which I did not want to get myself involved because I do not have any evidence with which to make such accusations. I understand, however, that diplomatic missions have a duty to hold meetings with the country's representative sector to draw conclusions."

Pena added that "Minister Montanaro is a high-ranking official of the government and the Colorado Party. Nevertheless, the opinion he voiced is personal and subjective and it is my understanding that he voiced his opinion during a political meeting. His opinion, however, must not be interpreted as representing the party's opinion."

"Surely he (Montanaro) must have some reasons expressing his opinion," Pena stated.

PLRA ISSUES COMMUNIQUE ON U.S. EMBASSY STATEMENT

PY242042 Asuncion LA TARDE in Spanish 23 Jan 87 p 7

[Text] The Authentic Radical Liberation Party [PLRA] released a communique yesterday referring to the recent statement issued by the U.S. Embassy on Radio Nanduti and the suspension of the preferential tariffs granted by the U.S. Administration to the Republic of Paraguay.

One paragraph in the communique states that the U.S. Embassy statement on Radio Nanduti stems from the "attacks on the freedom of expression by the Paraguayan Government." It adds that the U.S. Administration has decided to suspend the preferential tariffs granted to Paraguay "because of the serious restrictions imposed on union freedom by the Paraguayan Government."

The communique says that "these events represent violations of the essential rights of man, about which our party has repeatedly expressed its position, and that these rights fall within domestic and international jurisdiction. Moreover, our party also intends in due time to ratify the international pacts on human rights signed by the United Nations and the OAS. Our party wants to reiterate its report on the deceitful behavior of the Paraguayan Government, which refuses to ratify these pacts."

The PLRA warns the citizens through this communique about the manner in which state matters are handled." [quotation marks as published] It states that the administrative officials are behaving "dishonestly" and "incompetently." "We are all responsible for finding a solution to the deplorable state of things. Free elections with the participation of all Paraguayans could be the solution to our problems, and rejecting the electoral fraud set by the government," it adds.

The document says that "the international community and the United States are responsible for the situation in Paraguay, and that they have the obligation to cooperate with the construction of a democratic Paraguay administered by all Paraguayans with no ideological restrictions."

PLR DEPUTY SAYS TAYLOR, GOVERNMENT DISPUTE FALSE

PY221724 Asuncion HOY in Spanish 22 Jan 87 p 8

[Text] Referring to the Paraguyan Government's position, through its Foreign Ministry, toward U.S. Ambassador Clyde Taylor, PLR [Radical Liberal Party] Deputy Aniano Denis Estigarribia bluntly said: "I believe there is a sort of understanding between the government and the U.S. Embassy, and that this is a way of diverting our people's attention from those suffering famine and misery. Through these confrontations, an attempt is being made to foil the efforts of the Paraguayan people who are pursuing true liberty."

Denis Estigarribia suported his remarks by stating that "the government feels incapable of implementing a program of economic development, which has already resulted in sudden and exorbitant public utility rate increases, the ongoing bread line workers' wages, and the miserable situation of the peasants. For these reasons they must divert public attention somehow." Denis Estigarribia stated that Ambassador Taylor has not expressed concern over this situation.

The lawmaker stated: "This is the reason why I state that the last U.S. measure, suspending preferential tariffs for Paraguayan exports, completely suited our government. Following this suspension, our government began to make a fuss everywhere, hinting at the fact that we were attacked by an industrialized country. These controversies are artificially created by the parties to divert attention from the country's difficult socioeconomic and political situation."

Nevertheless, Denis Estigarribia said that "surely both the government and Taylor must have their reasons. The embassy's concern over the lack of press freedom in our country is understandable as is also understandable the government's concern because the government must safeguard the country's sovereignty and, especially, reject any meddling in domestic affairs."

"Our government has expressed little concern, however, over our country's sovereignty because in some cases, foreign enterprises legally or illegally subdue and violate our country's sovereignty," said the PLR leader, hinting at the fact that foreigners own large tracts of land while our countrymen have no land to cultivate.

Denis Estigarribia understands that neither of the two stances, that of the government or that of the Yankee Embassy, can be resolutely supported, considering that each party is endorsing its interests. I believe that in these cases one must take an objective position so that attention is not diverted toward petty issues, bearing in mind that attention must be directed toward major issues," Denis Estigarribia said.

He reiterated that at this moment "the government has to focus on major issues. We have priority issues such as the recent sudden and exorbitant public utility rate increases implemented by ANDE [National Electric Power Administration], ANTELCO [National Administration for Telecommunications], and CORPOSANA [Water and Sanitation Corporation], which are troubling many Paraguayan families because of the breadline wages they receive."

"Concerning the United States, we know that throughout the world they have been, and continue to be, oppressors of the peoples. For this reason it is only appropriate for our government, which continues oppressing the workers and the peasants, to be compared with the United States," Denis Estigarribia concluded.

LABOR MINISTER ON TAYLOR, DESTABILIZATION

PY272259 Asuncion EL DIARIO in Spanish 24 Jan 87 p 6

[Text] Expressing his opinion on the problem which has arisen with the U.S. Embassy in our country, Dr J. Eugenio Jacquet, the justice and labor minister and a member of the Colorado Party Executive Board, yesterday stated that "this is the straw that breaks the camel's back." He added that U.S. trade union organizations "are sending money to promote destabilization."

Jacquet mentioned "the open support for the Interunion Workers Movement," which he described as an "absurd minority," as being a fact related to the U.S. statements which was censured by the Paraguayan Government.

The labor minister, who spoke to the press as he left the Government Palace after participating in the discussions of the Economic Coordination Council, stated that "We can say that U.S. Ambassador Clyde Taylor has attempted to meddle in the domestic affairs of the Republic of Paraguay and this damages the harmonious relations between the two countries and to a certain degree disturbs the smooth dialogue that has always taken place between Paraguayan authorities and the U.S. ambassador."

Questioning the U.S. Embassy's procedures, Jacquet noted that "this is the straw that breaks the camel's back concerning the issues which were being discussed with the embassy, of openly favoring the trade union organizations of the Interunion Workers Movement, which is an absurd minority, and ignoring the voice of the majority of the trade union leaders who have joined the Paraguayan Confederation of Workers."

Jacquet pointed out that "it is also noted that U.S. interests, like the AFL-CIO trade union organization, are sending money to promote the government's destabilization through the Interunion Workers Movement."

"Concerning this issue, we may conclude that Ambassador Taylor -- although it could be any ambassador -- like a mother-in-law, has an unfortunate role to play, getting himself involved in a house that is not right for him. He is giving his opinion on issues that directly and exclusively concern the Paraguayan Government and people," the labor minister concluded.

COLORADO PARTY DISSIDENT RELEASED 26 JAN

PY271953 Paris AFP in Spanish 1806 GMT 26 Jan 87

[Text] Asuncion, 26 Jan (AFP) -- According to political sources, Justo Ramon Parquet, a political dissident of the ruling Paraguayan Colorado Party, was released today after being held incommunicado for 1 week at the Interior Ministry's Special Police Security Unit. Parquet, head of a Colorado Party grass-roots precinct in the town of Ypacarai (30 km east of Asuncion), forms part of a dissident group supporting the rebel Colorado Deputy Luis Becker, head of the Colorado Party branch in Ypacarai.

Becker was removed from his political post in Ypacarai following his criticism of the regime. The police are keeping him under surveillance round-the-clock and forbids all meetings with his followers at his home or at the party precinct premises in Ypacarai, in spite the fact that he is a congressman. Security agents on 13 January broke up a gathering of nearly 1,000 supporters of Deputy Becker that met near his home.

POLICE DETAIN 400 AFTER INDIAN EMBASSY ATTACK

PY280255 Madrid EFE in Spanish 2331 GMT 27 Jan 87

[Text] Lima 27 Jan (EFE) -- During operations carried out in various Lima districts, the Peruvian police have arrested more than 400 people, following the terrorist attacks perpetrated last Monday, which resulted in the death of four Civil Guards.

Most of those people were arrested for lack of personal documentation, but 20 of them were arrested under the suspicion that they had participated in terrorist attacks, a spokesman for the Counter-Terrorism Directorate of the Investigative Police (PIP) indicated.

The suspects were arrested yesterday immediately after the attack on the Indian Embassy, in the Miraflores District, where a civil guard was killed. Most of the undocumented people were taken to police stations during operations conducted by the Civil Guard police in various Lima districts aimed at locating terrorist suspects, the institution reported.

The Civil Guard also reported that its agents had found an abandoned vehicle that may have been used by supposed members of the Shining Path Maoist organization in the attack on the police guards on duty at the Indian Embassy located on a street close to downtown Lima. According to the report, the vehicle had blood stains on it, presumably from a terrorist who was wounded when a dynamite stick he was about to throw against the embassy guards went off in his hand. The police reported that the vehicle found had been stolen last Sunday from a house located in the Santa Anita neighborhood outside Lima.

Of the three policemen who were killed yesterday, two died right in front of the Indian Embassy and the other, a noncommissioned officer, died at the Miraflores Hospital a few hours later.

COMMUNIQUE DETAILS EXTENSION OF LIMA CURFEW

PY271259 Lima Canal 9 Television in Spanish 0330 GMT 27 Jan 87

[Text] Through a communique issued today, the Armed Forces Joint Command reminded people that the curfew is still in force from 0100 to 0500 in the Lima and Callao regions. The curfew remains in effect because the state of emergency has been extended in both Lima and the port of Callao.

The Joint Command also specified the measures that are in effect during the curfew: People must carry personal identification; they cannot carry guns or explosives; they must halt when stopped by police; when driving, cars must use low beams, and interior lights; both drivers and pedestrians alike should use the center of the street, and they must carry safe-conduct papers.

The Joint Command adds that those who lack safe-conduct papers must carry a white flag. This applies to both people in cars or on the street.

TERRORISTS BLACK OUT LIMA, BOMB APRA OFFICES

PY231238 Lima Radioprogramas del Peru Network 2300 GMT 22 Jan 87

[Text] At 0015, ELECTROPERU press secretary Jose Acevedo reported on the general blackout that occurred last night. ELECTROPERU has issued the following communique number 003-87, regarding the electric power cuts that occurred tonight:

First: Two terrorist attacks on the electrical grid took place between 2100 and 2245 today, producing power cuts in metropolitan Lima and towns in the interior that are served by this system.

Second: After ELECTROPERU and ELECTROLIMA technicians managed to normalize the power supply in all the affected areas following the first attack, another power cut occurred. The second attack on the system affected only the metropolitan Lima area, not the areas in the interior, where the situation remained normal.

Third: At this time, service is being restored in metropolitan Lima.

Fourth: Once more, ELECTROPERU expresses thanks for the understanding shown by the users during the situation created by these attacks, which is beyond its control.

Lima, 22 January 1987

Radioprogramas del Peru has remained on the air thanks to its own electric generator.

Three terrorist attacks against the APRA [American Revolutionary Popular Alliance] office were also perpetrated, resulting in injuries, some of them serious, to some people. One of the attacks was perpetrated against the APRA office in the 600 block of Francisco Pizarro Street, Rimac, in which one person was wounded and damage was caused. In the attack on the APRA office in Balconcillo, five APRA members were wounded. They are Manuel Landauro, Felix Gonzalez, Manuel Quintero, Maritza Leon Candela, and Teodoro Sanchez. Four of them were taken to the 2 May Hospital, and Maritza Leon was transferred to the police hospital. A third attack damaged the APRA office in the 600 block of Palerjo Street, La Victoria. A pickup truck was damaged in the explosion. Another attack took place near the Tauro Cinema across from the Argentino College, severely damaging a van. Dynamite went off at the APRA office in Vidla Senor de los Milagros, damaging it.

The office of the Popular Bank in the 1500 Block of 2 May Avenue, Miraflores, was the target of a terrorist attack, which caused damage. Two cars were damaged by a dynamite explosion in front of the main APRA office in Alfonso Ugarte.

Preliminary reports from the interior say that (Inica) was also affected by a general blackout; and that some sectors of Huancayo were affected by power cuts. A total blackout affected Huacho and El Callao. ELECTROPERU personnel in Huancayo have reported that the blackout in Lima, (Surchico), and areas of the interior was caused by technical failures in the Mantaro grid. ELECTROPERU experts are working to restore power. The Army is patrolling the city, and vigilance was stepped up at the embassies and state office buildings.

SOVIET ENVOY ON CONTADORA APPEAL, GORBACHEV VISIT

PA252010 Mexico City EL NACIONAL in Spanish 23 Jan 87 p 12

[Text] The Soviet Union supports the appeal issued by the Group of Ten for an end to the foreign intervention in the Central American conflict. For some time it has publicly stated that the regional countries are the ones that should resolve their disputes. The Soviet Union continues to maintain that position.

This was stated yesterday by Soviet Ambassador to Mexico Rostislav Sergeyev who stated that this position will surely be expressed during the future visit that Soviet chief of state Mikhail Gorbachev will make to Mexico.

Regarding this, he said that no date has been set yet for the state visit essentially because coinciding dates have not been found in the agendas of President Miguel de la Mardid and the CPSU general secretary.

It is not yet exactly known, he said, which of the two leaders will visit the other nation first. The reciprocal invitations have been issued, but it is not known whether President de la Madrid will visit Moscow first or Mikhail Gorbachev will visit Mexico.

Regarding bilateral relations, he said that they are very good but can be improved. There is agreement in the essential aspects of the arms policy, with Mexico and the Soviet Union struggling for the elimination of nuclear arms.

In conclusion, he reiterated that his country has promised the world public that it will work to end the nuclear arms buildup. This was shown by the unilateral moratorium that it established last year and expired on 15 January.

ABRAMS' REMARKS ON MEXICO, PERU CRITICIZED

PRI Rebuttal

PA271714 Paris AFP in Spanish 1414 GMT 27 Jan 87

[Text] Mexico City, 27 Jan (AFP) -- The ruling PRI said here today that the accusation by Elliott Abrams, U.S. assistant secretary of state for inter-American affairs, to the effect that Mexico and Peru are left wing forces supporting Nicaragua in Central America is unacceptable.

"His intolerance unquestionably hurts the good relations that should exist among states, and creates a climate of mistrust that harms the friendly spirit that should prevail among members of the community of nations," the PRI states in a communique.

"Despite the high level of responsibility of his position, and his presumed knowledge of hemispheric politics, he appears to ignore that the motivation -- not only Mexico's, but of various Latin American countries -- is the search for peace," the communique states.

The party ends the communique saying that, "those remarks are even more surprising" in light of the world's increasing support for the efforts of the Contadora Group (made up of Mexico, Venezuela, Panama, and Colombia).

Last Friday in Washington, Abrams said that he will tell Mexican Foreign Secretary Bernardo Sepulveda that his country's position on Central America is "not good" for Mexico and the United States.

Senator Rejects 'Statement'

PA251823 Mexico City Red Nacional 13 Imevision Television Network in Spanish 0130 GMT 25 Jan 87

[Text] Senator Hugo Margain, member of the Senate's Foreign Relations Committee, rejected a statement by Elliott Abrams, the U.S. assistant secretary of state for inter-American affairs, which he termed contradictory and unfounded.

Margain stressed that we are not alone in the quest for peace and dialogue in Central America, and that proof of this is the support received by the Contadora Group from the United Nations, the OAS, the EEC, and all the international organizations based on international law.

Senator Margain said that questioning the Contadora Group's legal and moral authority was rash. He added that Elliott Abrams, who is responsible for maintaining harmonious relations with Latin America, should be more perceptive and should not make any unfounded statements that can hurt U.S. relations with Latin American countries.

He added: His statement about Mexico and Peru being leftist is absurd, as both countries have democratic systems, alien to leftist or socialist systems as was mentioned. There should be no doubt about Mexico's political system, which is valued and recognized for its democratic foundations and actions, he concluded.

Polish Deputy Raps U.S. Stance

PA251519 Mexico City Red Nacional 13 Imevision Television Network in Spanish 0130 GMT 25 Jan 87

[Text] President Ronald Reagan's followers are making a historical mistake by calling Mexico and Peru leftists for their peace efforts in Central America, [Mieczyslaw] Rakowski, deputy marshal of the Polish Sejm, said upon arriving in our country from Nicaragua.

Rakowski added that it would be a waste of time and it would be worthless to enter into polemics with those who reject the Contadora Group's peace efforts.

He said that during his visit in Nicaragua, the people praised the tour conducted by the Group of 10, which is seeking a peaceful solution in Central America.

During his visit in Nicaragua, the Polish parliamentarian met with Nicaraguan President Daniel Ortega. On that occasion, Rakowski lauded the Contadora Group's efforts to achieve peace in the region.

COSTA RICA

FOREIGN MINISTER MADRIGAL PAYS VISIT TO SPAIN

For reportage on Foreign Minister Rodrigo Madrigal's official visit to Spain, including his meetings with Prime Minister Felipe Gonzalez and Foreign Minister Francisco Fernandez Ordonez, see the Spain section of the 23 January Western Europe DAILY REPORT and subsequent issues.

EL SALVADOR

SPANISH GOVERNMENT OFFICIALS ARRIVE FOR MEETING

PA220334 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 21 Jan 87

[Text] A Spanish mission presided over by Maximo Cajal y Lopez, general secretary of Spanish foreign policy, arrived in El Salvador last night from Nicaragua as part of a tour through Central America. The Spanish official, who arrived on a commercial flight, was welcomed at Comalapa International Airport by Fernando Alvarez de Miranda, Spanish ambassador to El Salvador. The Spanish diplomat is accompanied by Juan Pablo la Iglesia, director general of Latin America affairs; and Luis Felipe Fernandez Pena, a cabinet member. They will meet with Salvadoran Foreign Minister Ricardo Acevedo Peralta, and the Spanish diplomat will carry out a lengthy agenda of meetings and interviews with top-level government officials.

HONDURAS

EPS UNITS REPORTEDLY CAPTURE FISHING BOAT

PA271733 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 27 Jan 87

[Text] Nicaraguan coastguard units have captured a Honduran fishing boat. The captain of the boat, 3 crew members, and 12 divers are missing according to the following bulletin issued by the FUSEP [Public Security Force] public relations department.

On Friday 16 January, the fishing boat (Luis Conde), bearing the Honduran flag, was captured by Nicaraguan coastguard units in Honduran fishing waters. The boat is owned by Jerry Ballanchini, and was commanded by Michael I. Johnson. The crew was reportedly on board. Reportedly, the captain and the crew abandoned the boat and threw themselves into the sea.

It has also been reported that in the same place, La Mosquitia, Gracias a Dios Department, 12 divers traveling in two canoes were captured; their whereabouts is unknown at present.

We repeat: In the same area, near La Mosquitia, Gracias a Dios Department, 12 divers traveling in two canoes were reportedly captured and their whereabouts is unknown.

FUSEP Public Relations Department

GOVERNMENT DENIES PAYING CONTRA INSTRUCTORS

PA170301 Tegucigalpa LA TRIBUNA in Spanish 15 Jan 87 p 41

[Press release issued by the Honduran Foreign Ministry in Tegucigalpa dated 14 January 1987]

[Text] In response to international press reports in an Israeli newspaper that the Honduran Government is reportedly paying retired Israeli military personnel to train the anti-Sandinist troops known as "contras," the Foreign Ministry hereby declares that:

1. The news in question is false and is offensive to the state's dignity because the defense budget is allocated exclusively for the Honduran Armed Forces.

2. Cordial and friendly relations are maintained with the State of Israel. However, this cooperation is limited to the strengthening of Honduras defense.

Tegucigalpa, 14 January 1987

NICARAGUA

CHAMORRO NEWS CONFERENCE ON SAM HALL'S RELEASE

PA280055 Managua Domestic Service in Spanish 2343 GMT 27 Jan 87

[News conference held by Deputy Foreign Minister Javier Chamorro at the Presidential Palace in Managua -- live]

[Text] [Chamorro, followed by passage-by-passage English translation] Good afternoon friends, reporters. First of all, I wish to thank [words indistinct] this afternoon. We have called you to inform you of the decision adopted today by the Nicaraguan Government regarding Sam Hall, who is currently under arrest in Nicaragua for reasons you are all aware of. The government's decision is another proof of the generosity of the Sandinist people's revolution, and a gesture of gratitude for the U.S. people, who, we are sure, strongly reject the policy of aggression systematically implemented by the current U.S. Administration against Nicaragua. The Foreign Ministry's press directorate advises the public that:

As was previously announced, U.S. citizen Sam Hall was arrested on 12 December 1986 near the military airport located at Punta Huete. According to statements made by Sam Hall, he was gathering intelligence information and was spying. Based on Sam Hall's statements and the proof presented by the State Security's general directorate, we can clearly see that U.S. citizen Sam Hall violated specific national security laws and the law on order and public security.

Because of some incoherent actions observed in Sam Hall's behavior, a psychiatrist and a clinical psychologist were asked to evaluate him and determine his mental state. The two specialists reached the conclusion that Mr Hall is not a stable person and that he is prone to actions that endanger his own life. In view of this diagnosis, and in accordance with the penal code and the recommendations made by the attorney general's office, Sam Hall was declared exempt of all criminal responsibility, and it was recommended that he be turned over to his relatives so they may adopt the necessary precautionary measures.

In addition to this recommendation presented by the attorney general's office, we received reports from the family of the prisoner, especially from his brother, U.S. Democratic Congressman Tony Hall, confirming his mental state. In a humanitarian gesture, and in gratitude for the U.S. people, most of whom have rejected the policy of aggression against Nicaragua, today we will hand Sam Hall over to (?Gary Foley), a representative of the Hall family, so he can be taken back to the United States, where he will receive the necessary treatment at a spécial clinic.

[Announcer] The Comrade Deputy Minister Javier Chamorro will answer questions from reporters.

[Question indistinct]

[Announcer] He is asking whether Hall will leave on a private flight or a regular flight.

[Chamorro, followed by English translation] Sam Hall will leave tomorrow on a regular Aeronica flight at 0603.

[Reporter, in English followed by Spanish translation] [Words indistinct] happen with Sam Hall?

[Chamorro, followed by English translation] Mr Hall will remain under our custody until he is turned over to [name indistinct] tomorrow when he leaves the country.

[Reporter, in English followed by Spanish translation] What behavior was exhibited by Mr Hall to lead the psychologists and psychiatrists to reach this conclusion?

[Chamorro, followed by English translation] As the communique clearly states, during the time that Mr Hall was detained while he was being investigated, his personality showed unstable characteristics that led us to request that the proper medical specialists be consulted.

[Reporter] [Name indistinct] in your capacity as representative of Sam Hall's family, what is your opinion about this gesture of the revolutionary government while your government insists on sowing death in Nicaragua?

[Chamorro] The attorney will answer your questions. If you go to the airport, you will have the opportunity to question [name indistinct]. He agreed to be with us on this occasion; we asked him to be with us to announce the decision of the Nicaraguan Government and the acceptance by the family's representative to take care of his transfer to the United States.

[Reporter] Can you reveal the names of the psychologists and psychiatrists who made this decision regarding the mental condition of Sam Hall?

[Chamorro] The Justice Ministry has all the information regarding the recommendation they made today at the Presidency resulting from the medical exams. As a result, he was released. Therefore, you can contact the Justice Ministry.

HELICOPTER CRASH INJURES U.S. NEWSMEN, SANDINISTS

PA280033 Panama City ACAN in Spanish 2216 GMT 27 Jan 87

[Text] Managua, 27 Jan (ACAN-EFE) -- It was reported today that nine Sandinist soldiers and three U.S. newsmen were injured when an MI-7 Helicopter crashed in Nicaragua's south-central region.

The three injured newsmen were identified as Courtney Hood, Domingo Rex, and Aziz Akyavas, who work for a team from the U.S. television network, CBS.

CBS sources stated that the aircraft crashed on Sunday in Nueva Guinea, on the Atlantic Coast, apparently as a result of mechanical malfunctioning.

The soldiers were injured or bruised, but not seriously.

Last night, the newsmen were moved to a Miami clinic, where it was determined that their injuries were not serious.

POLISH DELEGATION ARRIVES FOR 4-DAY VISIT

PA220426 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 21 Jan 87

[Text] Mieczyslaw Rakowski, Polish deputy marshal [title as received] and former foreign minister, said shortly after arriving in the country that the situation in Central America is becoming more dangerous every day, and yet the Contadora Group's efforts in the region bring a great deal of hope. National Assembly President Carlos Nunez Tellez, commander of the revolution; and members of the Assembly's board of directors welcomed the Polish delegation at Augusto Cesar Sandino International Airport.

Deputy Marshal Mieczyslaw Rakowski belongs to the Politburo of the Polish United Workers Party [PZPR]. The visitor, along with members of the PZPR and Democratic Party, will stay in the country 4 days. He will meet with Nicaraguan Government authorities and members of the political parties represented in the National Assembly.

CASTRO MEETS WITH CONTADORA REPRESENTATIVES

FL280205 Havana Television Service in Spanish 0100 GMT 28 Jan 87

[Announcer-read report over video showing Castro greeting foreign ambassadors and later the group is seen seated and Castro is shown making brief remarks]

[Text] This afternoon, Commander in Chief Fidel Castro, president of the Council of State and the Government of the Republic of Cuba, received the heads of the diplomatic missions of the countries which compose the Contadora and Support Groups.

Panamanian Ambassador Manuel Orestes Nieto, Uruguayan Ambassador (Bernardo R. Peneirua Pardinas), Peruvian Ambassador Carlos Alberto Higueras Ramos, Mexican Charge d'Affaires Ernesto Aceveda Carrera, Argentine Charge d'Affaires Carlos Dante Rios, and Venezuelan Charge d'Affaires Fernando (Chasin) Medina participated in the meeting. Cuban Foreign Minister Isidoro Malmierca and Deputy Foreign Minister Ricardo Alarcon were also present.

At the request of their respective governments, the diplomats presented the Contadora and Support Groups communique issued at the end of their Central American tour signed in Mexico City on 21 January 1987 by the eight foreign ministers of the peace groups with the United Nations and Organization of American States secretary in attendance.

During the meeting held in a cordial environment, President Fidel Castro reiterated Cuba's support to the efforts made by the Contadora Group with the held of the Support Group to halt the escalation of war and interventionism and achieve a peaceful, fair, and permanent solution to the Central American conflict. He underscored the importance of the recent tour conducted in the area and the need for continued efforts aimed at the noble objectives sought by the Latin American countries.

During the extensive exchange of views, other matters of interest for the Latin American countries and the development of mutual development were also examined.

[Begin Castro video remarks] [Words indistinct] to express appreciation for the efforts the Contadora Group is making, the importance of those efforts. I believe it has also contributed to increase as much as possible the level of attention to the problem. [end of recording]

SALVADORAN COMMUNIST LEADER ADDRESSES COMBATANTS EVENT

FL240052 Havana Radio Rebelde Network in Spanish 0000 GMT 24 Jan 87

[By Amado Cordoba]

[Text] Jorge Risquet Valdes, member of the Communist Party of Cuba [PCC] Politburo, has presided over the closing ceremony marking the day of solidarity with the Salvadoran people held this afternoon in Havana's Cubana de Acero factory.

Party leaders and Salvadoran workers and combatants enthusiastically gathered in the shop where Jorge Schafick Handal, secretary general of the Communist Party of El Salvador and member of the FMLN's general command, gave a speech.

[Begin Jorge Handal recording] I warmly express by appreciation from the bottom of my heart for the active solidarity given by the Cuban people. I appreciate the example of your revolution, the example of its firmness and heroism that (?does not slacken) 90 miles from the imperialists. [end recording]

Jaime Crombet, member of the PCC Secretariat, gave the closing speech in which he reaffirmed our peoples' militant solidarity with the struggle of the Salvadoran revolutionaries.

REPORTAGE ON BRAZILIAN MINISTER MAGALHAES' VISIT

Discusses Bilateral Relations

FL230012 Havana Radio Reloj Network in Spanish 1903 GMT 22 Jan 87

[Text] Brazilian Communications Minister Antonio Carlos Magalhaes said today that Cuban and Brazilian cooperation is clear and unavoidable and discussions have been held on topics of particular interest in this area. He added that his visit is more than an indication of friendship and respect for the Cuban people. It is of great importance in expressing the support Brazil will provide the Caribbean nation in the telecommunications area, he said.

I am satisfied, Magalhaes said, with the work carried out and even though they are (?just beginning in this area), it demonstrates the spirit of the Cuban Government and Communications Ministry in the development of this area.

Magalhaes said Brazil will provide the utmost help in trade, areas friendship, and in the future of the two countries.

Signs Communications Agreement

FL232223 Havana Radio Reloj Network in Spanish 1902 GMT 23 Jan 87

[by Juan Emilio (Frigols)]

[Text] A document that contains memorandums of understanding was signed this afternoon by the government of Cuba and the Federative Republic of Brazil in the Cubanacan Protocol Hall.

It was signed by their respective communications ministers. Antonio Carlos Magalhaes signed on behalf of Brazil and Manuel Castillo Rebasa signed on behalf of Cuba in the presence of representatives from state and government organizations and also in the presence of Italo Zappa and Jorge Bolanos, ambassadors from Brazil and Cuba, respectively.

The document is in the area of communications cooperation and includes the promotion of bilateral negotiations between enterprises for the supply of Brazilian equipment, including international telex and telephone centers, conventional and [fiber] optic telephone cables, analogical radio systems, and public and private telephone equipment.

The memorandums of understanding signed this afternoon between Cuba and Brazil in the communications area include incentives for exchange of technical information and documentation. It also stipulates that the Brazilian Communications Ministry will provide cooperation in the development of Cuban postal and telecommunications systems and in new tropical [tropicalizadas] telecommunications technology.

After signing the document, the Cuban and Brazilian ministers pointed out the importance of the agreements in the technical area as well as in strengthening bilateral relations.

In the morning, the Brazilian communications minister visited the genetic engineering and biotechnology center in Havana where he was met by Dr Manuel Limonta.

Ends Visit, Returns Home

FL240418 Havana Radio Reloj Network in Spanish 0211 GMT 24 Jan 87

[Excerpts] At 1730 this afternoon, Brazilian Communications Minister Antonio Carlos Magalhaes, departed for Brazil via Caracas at the conclusion of his official visit to our country.

The distinguished traveler was accompanied to the airport by his Cuban counterpart, Manuel Castillo Rebasa, Communications Ministry officials, and Ambassadors Italo Zappa and Jorge Bolanos, from Brazil and Cuba, respectively. [passage omitted]

At the time of his departure, the Brazilian minister expressed his appreciation for the hospitality he received from the Cuban Government and peoples.

BALTRA, PINEIRO ADDRESS PCCH ANNIVERSARY CEREMONY

FL191602 Havana Television Service in Spanish 1800 GMT 17 Jan 87

[Announcer-read report over video of meeting, speakers identified by caption]

[Text] The main ceremony to mark the 65th anniversary of the foundation of the Communist Party of Chile [PCCH] has been held at the Communications Ministry theater attended by representatives of Chilean leftist forces, members of the diplomatic corps, and leaders of our party headed by Politburo member Jorge Risquet Valdes.

Chile is going through difficult and complex times but we know the dictatorship has failed and will not be able to resist the thrust of our people's struggle; the people shall prevail in Chile in the end, said Mireya Baltra, of the PCCH Central Committee.

[Baltra] It is a great honor to be able to celebrate the 65th anniversary of the founding of the PCCh in Cuba, first free territory of America.

[Manuel Pineiro, head of the Communist Party of Cuba Americas Department] We Cuban revolutionaries had the sympathy and support of the Chilean people, the PCCh, and the other democratic and revolutionary forces during our war of liberation against the Batista tyranny. The militant and fraternal encouragement of the Chilean people was never missing during those difficult years when, after reaching power and initiating profound political and socio-economic changes in our country, Yankee imperialism launched all kinds of military, economic, and political aggression against our nation.

SPANISH VISITORS SEE CASTRO, SIGN COMMISSION ACT

FL271444 Havana Radio Progreso Network in Spanish 1200 GMT 27 Jan 87

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, held a more than 1-hour dialogue with the participants to the Third Meeting of the Spanish-Cuban Joint Commission on Science and Technology.

During the frank exchange between the chief of the revolution and the visitors, different topics were discussed, among them the traditional Spanish-Cuban relations of friendship, which were strengthened even more after President Fidel Castro and Spanish Prime Minister Felipe Gonzalez met in Cuba.

Before the commander in chief arrived at the Spanish ambassador's residence, the final act of the Spanish-Cuban Joint Commission on Science and Technology was signed by Ernesto Melendez, Cuban minister president of the state Committee for Economic Cooperation, and Luis Yanez-Barnuevo Spanish secretary of state for international cooperation and Latin America.

FORESTRY WORKERS TO ESTABLISH COMMUNITY IN USSR

FL271445 Havana Radio Progreso Network in Spanish 1200 GMT 27 Jan 87

[Text] The advanced group of Cuban forestry workers who will extract wood in the extreme eastern part of the Soviet Union has departed for the city of (Jawaros). The team leading the Cuban contingent will formalize contacts with local and forestry authorities of (Jawaros) for the purpose of establishing a Cuban community in the Sutay area, 7,000 km from Moscow.

GDR OFFICER, FERNANDEZ DISCUSS NUCLEAR SAFETY

FL271547 Havana Tele-Rebelde Network in Spanish 1200 GMT 27 Jan 87

[Text] Jose R. Fernandez, vice president of the Council of Ministers, has received Dr Georg Sitzlack, state secretary and director for the GDR state Office for Nuclear Safety and Radiation Protection, and his companions.

Dr Stizlack and his delegation also exchanged opinions with Fidel Castro Diaz-Balart, executive secretary of the Cuban Commission on Nuclear Energy, at which time they stressed the importance of bilateral cooperation in radiation protection and nuclear security.

Sitzlack and his companions visited the permanent exhibit of the Executive Secretariat for Nuclear Affairs [SEAN] and met with specialists from that institute on radiation protection and health. Other organizations related to this sector were also present.

Later, the GDR delegation toured the genetic engineering and biotechnology center.

CASTRO ADDRESS TO 53D CTC WORKERS' PLENUM 14 JAN

PA161300 Havana Tele-Rebelde Network in Spanish 2300 GMT 15 Jan 87

[Speech by Fidel Castro to close the 53d plenum of the National Council of the Central Organization of Cuban Trade Unions, CTC, at the Lazaro Pena Theater in Havana on 14 January -- recorded]

[Text] [Applause] Well, I am going to imitate Comrade Machado and remain seated. I am really not very sure whether Comrade Machado wanted me to come because he believed my presence would be useful or if my dear Comrade Machado wanted to save himself the task of closing this event. [crowd laughs] It was really up to him to close it. However, as he explained, it seems that there are many activities at the beginning of the year. I learned about several of them this year. For example, I learned that the party meeting would take place early in the year, I do not remember. I believe that it was on Wednesday of last week. When was the party meeting? On 7 January? Was that on Friday? Correct. Then I learned that the FEU [Federation of University Students] meeting would be held. I had meant for a long time to attend the FEU meeting. However, I did not have fresh news about this congress. It was perhaps mentioned that this council would be held. I learned recently through Machado that it would be held. I had another engagement, other obligations. However, I made it a point of being here with you if only for a while because of the importance I believe this meeting has and the enormous importance of the role of trade unions and workers in this process of rectification.

On the other hand, I do not have as many new things -- as Machado believes -- to add to the matters I have been setting forth here this afternoon. Moreover, I generally do not like to make closing speeches, or even if they are not closing events, to speak extensively at events in which we have not been able to participate in all the details and events to have a good grasp on the overall problem. I did receive a report, a summary, that Comrade Machado sent with all the things that were discussed. I also came an hour early. I chatted with them -- with Veiga, Penalver, Machado, and Linares -- about the things that were discussed and the fundamental matters.

I believe that I should not discuss that either, because those fundamental matters -- structure, emulation, some of the things that were also discussed here -- were already discussed by you in detail and the corresponding documents have already been approved. Therefore, I will add some general things.

I believe that the revolution is experiencing a very important moment. It is very important. I told the students that I believe that this is a moment of historical change and of historical leap. I say historical change in the sense that we are correcting the course. We were straying off course; we were sailing poorly.

We were going to run against very serious obstacles, and we are correcting course. It is not a 180-degree change. However, it is an important change, of course. We are rectifying things to sail better and advance better to prevent serious problems in the construction of socialism and even serious political problems, because we were weakening the revolution. Therefore, it is a moment of historical change and -- as I have told students -- a moment of a historical leap, a qualitative leap. More than a historical leap, it is a leap in revolutionary work.

It is not a matter of looking for phrases, of looking for a word to characterize or define a situation, for the sake of looking for a word. Nothing is gained by saying that this is a moment of historical change and making that a slogan. It is a moment of historical change if we understand the problem and work consistently in that direction, attempting not to stray off course. If within 6 months, 1 year, 2 years, or 3 years we forget everything and change course again, there will not be a moment of historical change. I believe that a very important factor in this effort we are making is the idea of the seriousness of this effort and of the continuity of this effort. Veiga was telling me that some people believe that this is a matter of 2, 3, 4, or 5 months; and that when another problem emerges, we will devote ourselves to the other problems, and this will be forgotten.

He told us about people who cheat. I am not talking about workers, but about administrative officers, about administrators who cheat. Many of them just make a token effort; for example, they only go so far when it comes to overfulfillment of production quotas -- we discussed this already, and we gave very clear and precise examples. In other cases, there are amounts of money that are distributed incorrectly: They parcel out the money, paying once, twice, or three times instead of paying it all at once. Sometimes they report that they worked for more hours than they really did, and...[Castro stops to ask someone: "Saturdays too, no?]. Anyway, I do not think these are deviations; I think these are disloyal actions. These actions are not mistakes; they are antisocial, criminal activities because they want to deceive us.

It is true that at some point the revolution has had to emphasize certain things. These years have forced the revolution to emphasize greatly the defense of the revolution. Since we have had this arrogant and aggressive U.S. Administration, and faced serious dangers, we had to multiply our efforts in the defense of the country. It was the most important thing. We could say that the number one concern in this period has been to guarantee the revolution's security, the revolution's survival, the defense of the revolution. This was the number one problem we had, so I think that among all the activities we could carry out, this was the most important one. If we do not have a fatherland and a revolution, we cannot rectify our errors. It is true that part of our attention centered on that and continues to be centered on that activity. I do not mean that now we have abandoned those problems, those issues.

Furthermore, today we can concentrate in rectifying all the things that we have done wrong. We can fight against all negative tendencies because all our efforts, the great efforts made by the entire Cuban people to strengthen the revolution and to guarantee its security, gave us this opportunity. They allowed us to concentrate in the process of rectification and struggle agains negative tendencies. If we had not guaranteed the physical security of the revolution, we would now be endangering its political and moral security, and its moral and ideological integrity. If this had not been the case, we would have been winning a battle on one side and losing another on the other side.

It is also true that we had some idea, some indication about those problems. Some things seemed a bit strange to us, but I do not know how we did not become aware of those problems immediately. I think there was a small dose of deceit. Figures and information were manipulated. At first, we thought those problems were part of the introduction of new methods and mechanisms, but that in one way or the other those problems would be overcome. Reality proved that instead of overcoming the problems the problems worsened and that it was not simply a matter of making mistakes, but a problem of conceptions. There were also ideological problems and reactionary beliefs. It was very clear that for many people this system has turned into a way of solving problems with money. The political perspective was losing ground. Voluntary work had become a thing of the past; solidarity and mass methods to solve problems were being left in the past; the style was becoming bureaucratic and, in my opinion, there were ideas that were truly reactionary. As I said recently, they were even counterrevolutionary, though these individuals did not realize that they were harboring ideas that were actually counterrevolutionary. That is, there were diverting the revolution from its coures and had this erroneous concept, the absurd, ridiculous reactionary idea among the most reactionary that a revolution, that construction of socialism, was a matter of mechanisms that work efficiently and not the idea that the construction of... [corrects himself] that it is essential to have a party task to build revolution, to construct socialism, to make the country rise from underdevelopment, and to construct a prosperous, developed economy.

As I said recently in the meeting with the cadres of Havana, this idea implied a denial of the party's role in the direction of the revolution and in the construction of socialism. One day, Comrade Machado told me that in a conversation with one of these theoreticians, he told them: If everything is resolved in that way, then what is the party's role? That was a plain truth.

We talked about that in the little debate that we had here this afternoon. We have seen that the organizational problem that our comrade talked about does not appear spontaneously. They must be settled by the party, by the ORG... [corrects himself] the trade unions and mass organizations in addition to the administration. The administration must play its role. As I said, we must make sure that our administrators have a communist attitude, a communist mind, and a communist concept of the revolution of the administration. Let's call it socialist, although the word should be communist. The administrators should have a truly socialist concept of economy. There should never be any contradiction between the interests of a manufacturing plant and those of the country. There should never be any contradictions between the interests of the workers of a plant and those of society. Because that commonly occurs under capitalism, the constant contradictions in capitalism. Under capitalism the workers own nothing and the group of workers works on projects. But the workers cannot function as in a cooperative, as a group of collective owners of a manufacturing plant. Workers own all the manufacturing plants. They share the interests of all the workers that all the country's manufacturing planst function well, as well as all the schools and services, not just their own plants. It is to the workers' benefit that all of the country's economy be profitable in a general, not partial, sense. Workers want the economy to be efficient and revenues to get higher, not only for a manufacturing plant's workers, but for all the workers. The workers also want a truly fair distribution system that applies the socialist principles we have agreed upon and are trying to implement. In other words, each worker should contribute according to his ability and be paid according to his performance. However, we want this principle to be fully applied -- no privileges of any kind. We cannot hold divisive stances. That belonged to capitalism. Workers had no other choice than to try to get a higher salary, regardless of the cost. If they worked in a bank, they tried to get a higher salary, they did not care what happened to the rest of the economy.

The same happened with those who worked in chemistry plants, refineries, and transportation. The other workers unions in capitalist society are forced to try to meet their individual or group interests. In socialism, we cannot act according to this concept. We have, we need, administrators who have a truly revolutionary, socialist vision -- who have a communist attitude. We must not rest until we achieve this. This does not mean the administrator will be in charge of efficiently organizing everything. He will be in charge of political problems. This is within the scope of his economic work.

The party must become organized with the support of mass organizations. This is the truth. We will not set up an integral brigade. We will not set up that brigade that was spoken about there. Nothing will be resolved if the party does not intervene. Where capitalism is a society stemming from the blind laws of competition and supply and demand, socialism is a rational society that must be designed, planned, and built. It will never be subject to blind laws. There will be laws on building socialism, but these laws will not be blind or create and organize a society by themselves. Instead these laws must be interpreted and applied by men. This is what building socialism is. It cannot be conceived without planning, without projections and man's conscious work, without a vanguard or leadership assuming the historical responsibility of advancing the revolutionary process and building a new society.

For this reason, we have stressed that these economic mechanisms and this material stimulus, profitability -- that is, all these mechanisms -- serve as helpers of the party and of the political, ideological, and revolutionary work to build socialism. For this reason, I said we had to determine how we were using those mechanisms and how to truly use efficient mechanisms to help the political work and the work of building socialism. Political work is becoming more and more important. In fact, it is very important in building socialism. As Marx once said, socialism is still far from being a totally just and perfect society. He said socialism and the socialist formula have not transcended the narrow boundaries of bourgeois law. This is because some men are more competent than others; some men are stronger and more resistant than others; some men have fewer needs than others; and the founders of scientific socialism aimed to build a society in which each person contributed according to his abilities and received according to his needs. A weak person having less energy or strength who cuts sugarcane or performs some other task will produce much less than someone in better physical condition.

Another worker may get two or three times more; we have seen it here and we are not against it. Of course, it can never be said that in our society an individual gets three times more than another gets. If an individual receives three times as much, it is because he is contributing three times as much; that is why his wages are three times as much. That individual is making a contribution that will allow all citizens to receive a bit more also. If everyone produced what Reinaldo Castro does, everyone would make a greater contribution to society even if they were earning an amount three times larger.

Not all the work that men do is rewarded in the form of wages. A large part of people's social work is distributed through services, especially educational service -- 1.7 billion pesos in our plan. Who provides that? Workers do. A worker who receives a salary three times as much as another worker because he works three times more than the other, is making a contribution to the educational services of the country equivalent to that of three men; he is contributing three times as much. If services are paid with revenues from sugar, from our wealth, and various other kinds of revenues, this worker is not merely getting three times more than the total of his work or three times greater than another worker. He is receiving three times as much as others. However, many other people are getting the benefits as a result of the first men's work.

At the hospital, for example, a man who receives very expensive surgery that in the capitalist world would cost 10,000, 20,000 or 30,000 [currency not specified]; or a man who gets a heart transplant both get much more than the first man because he received 100,000 pesos, or 10 or 20,000 [as heard].

Another example is when a worker or a family get a house. He obtained a house. Many others will have to wait years, many years, to get a house. Society provided a house to him almost at cost and turned him into a proprietor with a minimum salary at very low interest. That man is getting more than another who did not obtain a house. Suddenly, he obtains something worth 7,000 or 8,000 [currency not specified], which would cost 25,000 or 30,000 [currency not specified] in the capitalist world. If the man sells it for 40,000, how much would he be getting? That man was able to obtain that house as a result of everyone's work, particularly the work of the most productive people, of the vanguards, of the work heroes; and is actually not receiving goods worth three times as much as another. He is getting a salary three times larger than another, but he contributed three times as much to defend the country, the defense expenditures, domestic matters, research, and the country's economic development. That man contributed three times as much to build the electronuclear system, the refineries, to agricultural development, and the dams; yet he did not necessarily get three times as many benefits as another. He did get benefits through his salary, but he did not receive back the total effort he contributed. Therefore, according to socialist theory, that man is making an important contribution to society.

However, the compensation system is not totally just; it is not a totally solidary (solidario) system, not a communist system. That man may be getting a greater salary and perhaps needs only half of the salary another man gets -- let us say one third -- assuming he is making an effort according to his capacity and his energy. That man may have greater needs than a man who has more money, and we are aware of it. You know that salary in some sectors of our workers is relatively low, especially if we have a woman who has three children and her qualifications allow her to work as a nurse's aid, a professor in a junior college, or at the university; but she is not allowed to work as a physician or a job with a relatively high income because she does not have better qualifications. This is why social security exists in the country. This is why there are thousands of people who get social aid or some help.

You are also aware that retirement pensions are not the same. Some get 200 pesos, others 60, 70, 80 pesos. In this regard, our society is not yet a totally just society. The redistribution system is indeed just if judged by the process and the stage of the revolutionary development we are experiencing. This means that to have a communist man someday -- men capable of thinking in such solidary terms, of making contributions according to one's capabilities, and of getting benefits according to one's needs; and I see no way to ever reach this point -- we must develop the conscience and high morale, human, solidary, and political concepts. I do not see how we can accomplish this because this could encourage selfishness.

I do not believe that the socialist thesis alone leads to communism. The socialist thesis can lead to egosim and to individualism if the individual is told every day only about what he is going to gain or what he is doing through his effort. In other words, the mere idea of a communist program -- the mere idea of a communist society as Marx, Engels, and Lenin defined it -- involves the need for enormous political work, deep political education, the creation and establishment of new values in man, and a vanguard party that will lead society down those paths.

Therefore, neither socialism nor communism can be built without political and ideological work, without educating the new generations. If this is not done, we would have to admit that communism will never be built. We could admit that socialism will be built. In fact, we are building socialism. Not only are we building it; we have advanced noticeably.

When I said that now we are really going to rebuild it, that does not mean that before we were not building it, but that we were not building it correctly. We have traveled an important stretch in the building of socialism, but we were straying from the path to build socialism. We were jeopardizing the political and ideological future of our revolutionary process. We were weakening it. I said: Now we will really build socialism. That is the expression of the conviction that we were building and will build socialism correctly this way. We will build socialism more quickly. [applause]

I meant to say that we are on the correct path. I did this recalling that phrase when seven men with seven rifles assembled and I said: Now we really won the war. However, I did not only say it then. I said it later, at another time, with even more conviction. When after reaching a summit, we saw the mountains of Caracas with their forests and all, I said the same thing again: Now we really won the war. I meant: Now I am even more certain that we won it. However, I had not lost the idea that we were going to win the war. Moreover, only two rifles remained, three man and two rifles. No, no, I was convinced that we had made mistakes, that we had been swept by a crisis, but that our ideas were correct, that our assumptions were correct. History proved it later.

However, I have also said that history is not the only supreme judge of a policy, to say what was correct or not. Sometimes a policy may be correct and fail. Sometimes men may have very correct ideas and die before they are able to carry them out, put them into practice -- that is, before being able to make it an idea of the masses, after which I would say it triumphs sooner or later. However, the fact that one is successful is not the measure of the justness of what one is doing. It is possible to have just ideas, just paths, and not succeed. There are invaluable factors that determine whether success is attained now or much later.

Marti was not successful in seeing the independence of Cuba. He was not able to see the independence of Cuba. However, I will not discuss Marti, but Cespedes, before him, when the struggle for independence began. They had not succeeded after 10 years into the struggle. However, success cannot measure the justness of their ideas. The war of 1895 began; a great effort was made; and thanks to that effort, progress was made, if what we had attained can be called progress. In the end, we did not attain independence. We fell, and became a Yankee neocolony, a colony of a country that was stronger than Spain and had more subtle methods, not the method of direct colonization. It was worse because many of the values of our society declined during those years.

We can say that the independent republic Marti was not obtained in 1901. However, that did not give anyone the right to say in 1910, 1920, or 1930 that the ideas of our rebels, of Marti, of our liberators were wrong, or that their path was mistaken. They were just ideas, which sooner or later crystallized. We cannot say that Mella's ideas were mistaken and judge them on the fact that Mella's ideas did not crystallize until 30 years later. What measures the justness of a cause is not success. Success can prove, and sometimes prove relatively soon, that the road was incorrect. That is how I, after we lost our troops, was sure that we were on the right path. We did not interpret that we were on the wrong path because we had a big defeat. We had simply made certain mistakes. Certain circumstances gave way to a serious defeat.

I maintained my confidence. We always maintained our confidence in socialism. I never lost it. I know that we are building socialism. What I wanted to say...[changes thought] recalling that phrase and recalling culminating moments, moments of optimism, a moment in which I provided strength [insuflaba], I said again: This time we will build socialism. However, this did not imply that we were not already building socialism. We were building socialism [words indistinct]. At this point I am more convinced and surer that, surer that [repeats himself] we will build socialism. What I want to say is that now I am surer than ever that we know the type of socialism we will build. [applause]

Sometimes you might think that you are building socialism and you are really building something else. If you are alienating people, drifting away from the ideology, thereby weakening socialism -- and there is no doubt that we are weakening it -- we are moving away from the path of socialism; at the end we no longer know what we have been building. It is surely something that is not socialism. From this point on we will start making reforms but if we are not careful we could end up in capitalism.

I am sure that at peasant free markets the sale of frivolous items [mercachiflerias], the deviation of resources, the theft by workers of items for their private enterprises -- workers who did not fulfill their duties to the working centers because they preferred to work on their own and get a lot of money -- sellers of quack remedies [merolicos]; all these things did not lead to socialism, you can be sure of that. We were creating many rich people here, the consequences of which could be seen everywhere. Some people said: I will but a house for 40,000, 70,000, or 80,000 [currency not given], I will buy this and that, etc. These actions did not lead to socialism.

The peasant free market path in a country in which the problem was not a matter of small parcels of land, but of peasants who owned up to 60 hectares of land... [changes thought] only by planting a single hectare with garlic and selling it, and selling it [repeats himself] and selling a bulb of garlic at one peso in that market of thieves -- I said thieves because that market did not produce wealth for the people. The parallel market at least collects money for the people and permits many other things such as child care centers, better wages for certain people, and many other things... [changes thought] but those situations in which people got hold of how much, 50,000 pesos [as heard] for planting a bulb of garlic. You can imagine if that same individual also owned 50 hectares of land and planted potatoes and owned irrigated farms, even without a free market, that man became rich. So you can imagine what would happen if there was a free market!

We used to have tens of thousands of peasants who owned 15, 20, 30, and 40 hectares of land. We were creating rich people with all the consequences that entails. We were creating inequalities of all kinds with all the consequences that entails. We were creating millionaires with all the consequences they brought. That is true, because other countries created peasant free markets with small pieces of land, but they said: Listen, I can have a small piece of land, it only has to be a tenth of a hectare. Those peasants said: If the free market gives me wheat, corn, farm products, and if I get products from cooperatives, I can raise 10,000 hens on one-tenth of a hectare. Then those peasants could say: Oh, what a good solution the free market is! Some 10,000 hens can be raised by a single man!

Hogwash! If I use the resources provided by collective farms I can do many things on a small piece of land. Obviously, if I have to produce corn and cereals to feed the hens on that small piece of land, I will not be able to raise more than 30 or 50 hens. I completely disagree with the creation of peasant free markets. Such a market is not applicable to a modern, socialist conception, or at least it does not fit my idea of socialism. I respect, I absolutely respect all those who have peasant free markets. I do not interfere with them and I do not criticize them, but I realized that the peasant free market was obstructing cooperatives.

Our country does not have enough land. We have less than 0.6 hectares for every Cuban. Cuba has to produce billions [as heard] of tons of food for other countries -- sugar, citrus fruit, and others -- and has to produce food for its internal consumption with 0.6 hectares of land for every Cuban; it must be less than 0.6 hectares now because we are now 10,000,000 inhabitants in Cuba and I do not think that we have 0.6... [corrects himself] 6 million hectares of arable land in Cuba. We have about half a hectare for every Cuban and with that half a hectare this country has to produce millions of tons of sugar, citrus fruits, and other things, because history assigned us that task. The revolution did not receive an industrialized country, but an agricultural one, and an agricultural country cannot be transferred into an industrialized country in a few years. However, we have made great advances in the direction of the country's industrialization and the creation of conditions for its industrialization.

This country needs farms; collective farms where we can use our plains the way we use them in our rice farms. We need large irrigation systems, combines to harvest the products, and a high productivity rate per man. In the sugarcane sector, we also need farms with a very high and well-applied technical level and with a maximum productivity per hectare. This is something we cannot do with a small property system. I have seen the problems we encounter every time we draft an important irrigation plan. We find 50 hours along the way, and we have to relocate people, and then move them back. You cannot build channels with a curve here and there. The channels have to follow a straight line, and this can only be done with large areas of land. We now know that this can only be done with large areas of land, state agricultural areas, and the relatively large areas of land used by the cooperatives.

The cooperative movement was doing fine until the moment that a man who had a hectare of land was able to make a 20,000-peso profit by selling garlic, or any other product that was scarce on the market, or by selling at very high prices. Therefore, because of the inefficiency and problems in agricultural production, the cooperative movement did not develop. The man who was making a 50,000-peso profit with his farm did not join the cooperative system. One or two peasants with a high revolutionary awareness did join. We know of some who put aside their substantial profits and joined the cooperative movement. However, as a rule, the man would begin by building a huge mansion on his little piece of land. No one even told this man that if he joined the cooperative movement he would have electricity and a good home. He bought his material around the place. Building material has always been available. A man with 50,000 pesos is going to get the cement he needs. He may have bribed the man on the farm who had cement; he may have bribed a storekeeper who had cement, a truck driver carrying cement, a guard at a construction site, anyone at the construction site, or he may have bought the cement someone stole for any price he could. In this manner he built his big house. I wonder how many of you could get a man who has built this huge a house to join a cooperative.

We realized that the process of a free peasant market was becoming an obstacle and that it was creating great inequalities. This had to be corrected. We could no longer tolerate the charlatans [merolicos], palming off their shoddy goods in any old way; and of course, the bureaucrats, those who cannot think about making an effort to fill a need in a correct manner, the way we are doing it today. Today we are not producing as many clothes hangers, but the hangers we are producing cover our needs. Back then they produced a few hangers, and we say them sell for a peso, a dollar, or whatever. There were also lazy men buying a bar of chocolate in Lenin Park selling the same chocolate at a much higher price elsewhere. One cannot fight this situation just by increasing the price of chocolate. A price cannot depend on the activities of lazy people, lumpen, and antisocial elements. All that one has to do is ban private business because business is a right of the socialist state. [applause] Business is a right and privilege of socialism, and if there is a profit from this business it has to be for the people: Not for an individual, for the people. We were seeing an owner of a truck or two making a profit of 100,000 pesos. Do you know how long it takes a prominent surgeon to earn 100,000 pesos in this country? The prominent surgeon must work for approximately 20 years; years of saving lives to earn 100,000 pesos.

However, things were even worse. One day I found out, among the many things that I found out while I was gathering information, that someone had earned 300,000 pesos in a year. I am not talking about a small farmer nor someone who owned trucks. He was doing work in the field of culture. Mediators began to appear all over the place. Even the work of the artist, the painters, set decorators, had mediators. Where were we heading along that path? It was clear that we had to make changes. If we had followed that path no one would have believed that we were building socialism.

I ask myself whether building socialism means that you need 65 years to build a road? Whether building socialism means that you need 20 years to build a dam; 21 years to build a hydro-massage [hidromaseaje] room? I am not looking for anecdotes; no, no no. Buildings were finished, and there were problems. You would get wet. [sentence as heard] Is this building socialism? I am just mentioning some cases: Building without knowing how much it is going to cost, spending just for the fun of it. Does this serve a purpose? Is this the way to build socialism? Today I can see that the people understand and the masses are the first to understand our attitude.

A bureaucrat may stay. He does not care if the problem is resolved or not. Bureaucrats do not care much if there is a day-care center or not. He may be surprised to learn that the city of Havana has six or eight day-care centers which were built in five years. If a bureaucrat has a comfortable house he may not care at all about the hundreds of thousands of homeless people and tens of thousands living in the slums. It is necessary to visit those areas once in a while. I have done it when we were searching for land to build or enlarge a hospital, or similar work. Many times we see that it is good to demolish an entire block of buildings like we did near the Miguel Henriquez Hospital; there we recovered three blocks. We then had to find more than 100 apartments to relocate the people, but they were happy to see this large project under way. In other sectors where we did not enlarge the hospital, people asked if there was no plan for that area. Therefore, a bureaucrat who is settled and is comfortable cares very little about the number of houses built in Havana, which were 4,500 or 5,000. Logically, some of those houses have to be given to the Armed Forces officers because they are on official assignment. So, how many are left for the workers? Four thousand. However, more than 4,000 houses deteriorate each year. How many are left for the workers and the homeless? Do they have any hopes? This is not a true formula to build socialism and this is what we have been stating, now that we have learned about all these problems. We are now very involved in this battle to build true socialsim, something that promises a more just and efficient society. I have realized this, and I feel more encouraged, more secure. I am sure that everyone feels more secure. [applause]

We have said: We are now going to build socialism. This is what the phrase means. We will do it by correcting all these outrageous errors. We will build dams in 2 or 3 years, roads in 2 or 2-1/2 years, or 3 years according to the length and place we want to build them. We will build the houses and factories properly. We will make our educational services optimum with all the resources we have, and we will also improve medical services. We will make more investments in factories, and we will get the most out of each hour of work and each peso. Since we want to use the peso as a unit of measurement, we will do so. We will then know that his school costs one millon, or 1.5 million even if they charge 3 million. Then we can say, listen: That does not cost 3 million, it costs 2, or 1.5 million. We will implement the mechanism that we have mentioned to measure the efficiency of the work we are doing. If we correct all these things as we plan to, and I am sure we will, and if we overcome all these negative tendencies; we need to struggle, you are aware of it, we must not neglect it, we must struggle until this becomes part of our culture, the form of thought of all of us. [sentence as heard] This is why I have asked the party to hold monthly meetings with the hospital secretaries. This has to be done for at least 10 years until we reach the level where doing things in a certain way becomes part of the culture. This has to be done everywhere. We will do other things later.

Right now we are facing...[changes thought] These ideas produced other errors, and the belief that more and more expenses. [sentence as heard] This is how the exchange expenditures increased. Deceived by the numbers, the economy grew. Did the economy grow? Yes it did. We invested 500,000 pesos in that dam [not further identified] it was not exactly 500,000 pesos, but that is the approximate investment. The economy grew 500,000 pesos by building a dam for 20 years. Did other sectors of the economy register growth? The economy registered growth in sectors that generated imports, but not in the sectors that generated exports. Thus, we were deceiving ourselves with those figures. The economy grew. However, at the same time the economy was being ruined. There were some excessive expenditures on some occasions. What is the result of this outrage? We lack this and that. No one was concerned about whether or not the investments were cprrect, or if this would bring any immediate benefit to the country, if exports would increase, or if this was truly going to guarantee the future and help resolve the problem. Investments were very important for the exports. The increase in the exports [changes thought] a growth in the economy did not help much if it meant that we were importing more raw materials while exports were not increasing.

Of course, some events occur in the context of the situation, to which we had to add our foreign debt. It was impossible to obtain any more revenue from that source. We had a hurricane and a drought. We also suffered the effects of other factors, such as the price of oil and the devaluation of the dollar. This decreased the value of the currency with which we purchase goods in other countries. The problem was not that the price of a piece of equipment in the GDR or Japan had increased. The piece of equipment was still worth 500,000 GDR marks. Its price remained the same. The value of the GDR mark increased as the value of the dollar decreased. Consequently, we needed more dollars for the same amount of GDR marks. For instance, if we needed 500,000 prior to the devaluation, we might now need 700,000. The price did not rise, but the value of the currency with which we must purchase this equipment did. This accumulated over time and forces us to make this tremendous effort, as I explained to the students during the FEU [Federation of University Students] meeting. This is a plan that I had outlined with $1.2 billion or $1.3 billion. It even reached $1.5 billion at one time. The plan for 1985 -- I mean the one for 1984 -- included $1.5 billion worth of imports. This was the result of exports and credits. The foreign debt was refinanced. Immediately, agencies skyrocketed their imports. Later, well, $1.2, $1.3 billion. [sentence as heard] Now we had to make a plant with $650 or 700 million, between $600 million and $700 million.

But $600 and $700 dollars [as heard] -- that is to say, $1,500 in 1984 was equivalent to $2,000 now. The purchasing power was greater. The value of exports plus credits amounted to $1.5 billion. In 1984, $1.5 billion amounted to $2 billion. In 1987, $700 million is equivalent to $500 million, in 1984. Let us compare this year with 1984. Presently, $700 million has the purchasing power of $500 million in 1984. In 1984, $1.5 billion had the purchasing power of $2 billion now. Our plan has been heroic. This is with one-fourth of the 1985 imports. It takes a great effort to outline a plan like this so that medicine production is not impeded; so that the textile industry is not impeded due to a raw materials shortage; so that the shoe manufacturing is not impeded; so that there can be sufficient feed for poultry; so that we can have eggs, chicken; so that we can continue our swine-raising. Hogs are fed with something more than waste food. We use this for a large portion of our production. The animals require a considerable quantity of fodder as does beef production at certain periods of the animals' lives and at certain ages. The little calves must be nourished. They must be fed. We must get a sizable portion of this fodder through convertible currency. We must get spare parts. We must get a large number of things, up to infinity, with $700 or $650 million, the purchasing power of which is equivalent to $500 million 3 years ago. I tell you that this is really a feat. As I have explained at other times, however, we have suffered catastrophes. Many things have been ensured by the socialist countries thanks to our exports.

As I said, this year we suffered a terrible drought. Not until the 21st, when I spoke, did it rain. In some provinces, it rained more than necessary, even accompanied by wind. At least in the west, the drought was stopped short and we were able to [changes thought]. When it stopped, we thought this might improve our climate. In addition, we have little sugar available for export in exchange for convertible securities. We must fulfill our export obligations with the socialist countries. In the past, we suffered droughts and other difficulties. We paid attention first to whatever exports produced revenue. We did not fulfill our export obligations with the socialist countries. We understand that this is not fair, correct, honorable, or worthy. If a catastrophic situation occurs at any given time, we can explain the situation to them. It might be war or a great plague of blight that affected a considerable number of plantations However, failing to fulfill our obligations cannot possibly become a practice, a rule. This happened at the end of 1984 and it is being remedied. So the sugar price is low, sometimes 5 cents more, sometimes 6. How much are six cents worth now? What is the purchasing power as compared to that of 1959? The purchasing power of 6 cents now is 1 cent, not much more. Now, the purchasing power of 6 cents is not worth much more than 1 cent was in 1959. I mean their purchasing power. Well, all of these factors add up. Despite this, at what price do we sell our sugar to the Soviet Union and the socialist countries? At prices much higher than those so-called world market prices, which is the price of the world sugar garbage dump. This is where all the leftovers end up. That cannot even be termed a price. However, those terrible prices determine what the capitalist or nonsocialist countries pay for sugar in convertible securities. It helps us to buy some oil, important quantities of wheat, all the wheat that we need for bread, not the wheat that is to be used for fodder. The wheat imported to be used for fodder is more important than imports for convertible areas. Yet we have solved many problems through our purchases from socialist countries. This helps us.

However, does this give us the right to waste fuel? Do we have the right to go all over the place with a tractor, wasting fuel? The price of fuel dropped, and this is another cause of difficulties; but do we have to waste it? A ton of oil can sell for approximately $120, but now it is selling for less than $100, because of the big drop. But must we waste fuel? Must all farms waste tons of it, must everybody waste it? No, this is clear. Can we afford the luxury of keeping the lights on all the time? Can we afford the luxury of wasting resources? Can we afford to fill up a plate with food that will not be consumed by a worker? Can we afford all this? No, we cannot.

Now we have to be more efficient than ever because these difficulties, these lean years, must produce corresponding virtues, just as abundant years have corrupted many countries. When the price of a barrel of oil went up from $2.50 to $30.00 entire nations were corrupted. They abandoned agriculture, everything, and dedicated themselves to living off oil revenues. When oil prices went down, they were used to a high standard of living and very costly bureaucracies. We have had resources because of our economic relations with the socialist countries. We have also received credits in the capitalist area.

The capitalist loot, steal, buy cheaply, and sell increasingly more expensively. I have explained this very well to the students. They have looted us. On the other hand, they loaned large amounts of money to the Third World countries. This is the reason for the huge debt.

We have counted on huge resources, but they have not been used in the best possible way. In recent years this is more true than ever, considering all the things we have been discussing. We cannot secure resources in the form of loans. The capitalist countries no longer lend to Third World countries. Sometimes they lend so that interest can be paid, that is all. You owe me $50 million, I will lend you $50 million, pay me the interest due, and the debt increases. This is the mechanism they are using. However, no fresh money is being put out, not one cent is being loaned to resolve situations such as the one we are facing this year and like we may face in years to come.

There is no institution from which we can solicit credit. The socialist countries help us very much. The Soviet Union helps us a lot. It helps us solve many problems, but the USSR has also been seriously affected by prices because it is a big exporter of oil and gas and it has suffered big losses and considerable reductions in its foreign exchange income.

It is not possible to ask the socialist countries for more. The price they pay for our products are fair. In addition to fair prices we have credits. From where can we get resources? From a better and more efficient administration, and from the best utilization of resources, to turn them quickly into factories, roads, enterprises, useful social works, to promote exports, to substitute imports, to save.

We have been saving fuel, without a doubt, for years. We have a surplus because we have conserved. One example we mentioned is the sugar mills. They conserved 500,000 tons [of fuel]. In producing sugar, everybody, instead of paying attention to the boiler, the baggasse for the harvest, and the wood, ignored all this and every time that boiler pressure went down they opened the oil faucet.

We have advanced in some of these aspects. We have created conservation awareness, but are we doing our best? How much are we spending on many of these things I have mentioned? How much do we spend on the administration aspect, on the improper use of vehicles for nonwork-related activities and on the improper use of state gasoline for private activities?

Are we using resources in the best possible way when we take 15 years to build something? If we are building a factory to substitute imports and it takes us 10 years to build it, it would be better if we could build it in 2 years.

We can make our plans more rational and improve them. We can derive resources from the goodwill of our workers -- from the road, cement, child-care center, and house construction workers. We would have the same factories and the same stone and sand quarries, and we perhaps would have to use a little more fuel, but we can save on other things. Now we have to obtain resources from ourselves, from our work. This is the task we have set for ourselves, the task we have had to set for ourselves.

We have had to set these tasks not only because the old road way was wrong, but also because of our economic needs. As I said when we held a conversation, this rectification process and struggle against negative tendencies is not just an ideological, moral, or political matter. It is all that, and in a matter of 5 years it can produce billions of pesos for the economy.

I am sure that if this process continues, and this was discussed during a council meeting, we will have good reasons for feeling optimistic. We already have those reasons in spite of difficulties. There will be difficulties in one way or another because we have to pay for things with cash, and even if we make a perfect effort there will be delays in the arrival of raw material. There will be problems. We cannot have the illusion that there will not be difficulties, that everything will be smooth, but we are already creating conditions for next year. We have to plant sugarcane in 30,000 caballerias and we have to be more efficient at harvest time.

The papers have published that workers say that a sugarmill, I believe the Caracas Agro-Industrial Complex, was leaving 15,000 arrobas in the field. This type of thing must disappear. This is a task for the party, for mass organizations -- especially the labor union -- and the administration. Such things cannot happen.

Thus, we must stop leaving 15,000 arrobas on the field. How much is that? Some 25 to 30 percent of the cane, under present circumstances, with the drought and difficulties; we cannot allow this kind of situation. That is the kind of luxury we cannot afford.

We must cultivate 30,000 caballerias, because we must step up production in plantations affected by hurricanes and a 2-year drought. This requires a firm, serious, and responsible effort, a round-the-clock effort.

In harvesting, we cannot run the risk of encountering a rainy April, because there could be heavy rain on 15 or 17 April when we still have 1 million tons left to harvest. This risk is still present; we could still face problems. That is why by 15 or 20 April, we should have harvested most of the cane, ensuring the highest yield and without leaving any cane behind.

This year, we are making a tremendous and serious effort in the cattle-raising field. There are 1.2 million head of cattle. Collection and reprocessing centers are receiving cane shoots and fodder with honey and (?urea). They are hanging in there and, in fact, they are improving, because we have learned to use those cane by-products to feed our cattle; in the meantime we are producing more fodder, plowing more soil, and securing more food for pasture. Perhaps we will always use them. At present, we have 1.2 million head of cattle. This required a serious effort from the agricultural field by men who are feeding the cattle with cane shoots and fodder in collection and reprocessing centers. This is a good solution resulting from need, the drought, and difficulties that were much more serious than last year.

Last year, as usual, the workers responded with great efforts to reduce the efforts of [Hurricane] Kate on the harvest to a minimum. It was detrimental, but not as detrimental as the drought was. Of course, it affected our operations, it disrupted them. We lost hundreds of plants in the sugar plantations, which forced us to embark on this task. We must make a great effort this year.

This year, we are capable of cultivating 30,000 caballerias. If we have normal rains this year, we will face another situation next year. In each center and agro-industrial complex we must study which problems affect yield, what subjective factors are preventing the maximum exploitation of sugar, and how we can avoid waste of honey, bagasse, or anything else. We must do efficient work. What do we do in agriculture? What about collection and reprocessing centers now that it is being done in agriculture at a national level rather than at a local level? How are resources given them being used? How are they using trucks already delivered and those arriving with petroleum that will guarantee the needs of collection and reprocessing centers until the year 1995? They will receive, among other things, 500 new diesel trucks.

Well, we must see how they use them. We must see how resources are ultimately used and how they optimize organization now that private farmers have to look after the cooperatives. How do they promote production despite droughts and hurricanes? In the agricultural field in general, agricultural activities other than sugarcane must make an option effort. How do they promote the cultivation of coffee fields? They are mobilizing agricultural experts and mid-level technicians to achieve that task. How are forest experts working in the search for new timber and taking better care of forests, not only for the present, but also for the future?

How does sugarcane agriculture work, that is, under what conditions? How do construction workers work? How does industry work, all industry? That is where our resources are. Can anyone doubt that the subjective conditions are good and favorable? Can anyone doubt that the workers are willing to make a maximum effort? Have they not given extraordinary evidence of that by the way in which they supported the measures affecting them directly? They are similarly affected by public transportation fares, electric power, and other measures involving certain privileges.

This happened in agriculture with self-consumption. Self-consumption was established to guarantee cafeterias and food for families; those who used coupon books received a lot of rice in certain cases at the same price or other products at the same time as well. This is a privilege that should not have been created. When these privileges are created, we must face difficulties and affect some people in correcting them.

However, the workers have shown an admirable attitude. We have learned that the attitude of workers everywhere is very good. They are willing to be on alert to do whatever they have to; they are waiting to be told what and how to do things, and how they can help. This is socialist awareness, this is communist awareness.

They know this belongs to them; they know this is their revolution, system, and economy. They know that everything done will benefit the people and workers. Independently of whether a hospital, school, children's center, factory, sugar field, vegetable field, citrus field, food, transportation, or anything, they know that this is their economy.

They ask: Sir, is that troubling the economy? What do we have to do? Well, gentlemen, we have made mistakes. How do we correct those mistakes? What do we have to do? How do we fight negative factors? What is my role and my obligations in the struggle against those negative factors? That is the attitude of the workers.

That should be the attitude of all. That should be the attitude of administrators as well. Without any contemplation, we will quickly dismiss any administrator involved in tricks, cheating, politicking, demagoguery, crooked deals, and deceit; we will do that as fast as possible. [applause]

That is simply intolerable. Not only will militants of the party be involved in this task, but also all workers. The militants of the youth's party could not do it without the support of the workers. If the workers achieve a compact and solid front to face any mistakes and negative factors, then the struggle will be won even before it starts. That is for sure.

That is why this meeting is very important; the instructions you take back to the rank and file are very important. Your role is very important.

Of course, not all the ideas are totally clear. There are still problems. Bello [not further identified] has been explaining to me about those instances where the rectification was not correct, where the estimate of the norms was not correct, instances where it was not taken into consideration that high salaries could really be justified for certain work, such as was expressed here, or that sometimes high salary is earned for 10 or 12 hours of good work, and it must not be calculated as though it had been 8 hours. There have also been instances where the opposite was true, where in only 4 hours the work could be accomplished and the norm fulfilled over and over. One of the first things we have admitted is that errors have been made in the rectification process. One must correct the errors, and one must correct the errors committed while rectifying the mistakes. It has been said more than once that it is necessary to remain very alert and flexible [applause] -- there should be no confusion here, the ideas are very clear. If a man earns more, if he can earn twice as much by working more, such as the example we have just given, we do not have to concern ourselves. We must not set limits because that would be the easy way out -- it limits production, limits possibilities. That should be made very clear. One must make a distinction between the money squandered or given away the the money earned by honest work and vigorous effort on a worker's part.

We should examine those areas where there has been resistance on the part of the administration -- because there has been resistance, because they have applied this formula or that other formula -- there have been areas where it has been more difficult to implement this, especially in activities where work is difficult to measure, but formulas have been sought, and we will continue to seek other formulas. One has seen more goodwill on the part of workers than on the part of the administration, although some sacrifices have been necessary, in some instances tests will be necessary...[changes thought] and not to be afraid when something must be corrected -- just go ahead and correct it to seek the best in all these situations.

I was speaking before about the need to analyze all these instruments and how they should be used, and to analyze well the problem of profitability. The time has come in the course of this rectification, after we have fought to correct the norms -- a battle we must continue -- and it is a very complex, difficult problem which requires much firmness on the part of the people and much integrity on the part of the policymakers and the administrators, on everyone's part -- also on the part of the labor union cadres -- to defend what is just, to set forth what is just in each case, and then that battle, as we were saying, must continue to determine, especially where norms are concerned -- it is a very harsh battle, and there are also other battles, not only mistakes here and there, concerning all the things that we have termed incorrect -- that the time is here for the workers to concern themselves with the problems of the system.

One of these problems is the matter of profitability. We must unravel the mysteries of profitability, and say, well, we need this concept of profitability clarified. How can profitability be a measure of efficiency? What are the costs? How much does a thing cost and why?

We all know, of course, that a product, beer for instance, has one price when it is produced, a certain value, and another when it is sold. It is sold at a much higher price. Beer, cigars, whatever. That has nothing to do with prices, however. The beer factory has to know what the costs are: raw materials, investment, labor force, energy, water, everything. So, then, what is the cost of the beer? What must it cost? Must the price be high or low, and what factors influence it? How much does an excess of workers, an inflated payroll, time squandering on the part of workers, influence it? We must become cost experts. [applause] That also means that the State Commission for Prices must investigate very deeply the costs so that we may ask them how much a spare part costs? They will tell us right away, at once, so many tons of this or that, so many hours of work, so much effort, so much equipment, so much fuel -- this is what it cost -- plus, of course, the value created by this effort, which signifies such and such a percentage of same.

There are times when one measures, when one wants to measure something and has no point of reference. Well, one can take the international price, as I did with royal jelly. Tell me what the international price of royal jelly is.

Sometimes one cannot use the international price because there is a more advanced technology in the world or because those factories are more developed, with higher production, and we are working with an old factory which we cannot close because if we close it we are left without anything. Then, we much say: What can the rational price be, given a factory in such technical conditions? So our concepts of profitability are only relative if we do not take all these factors into consideration. There may be a factory which has a good wholesale price for its product and is using a good technology, and there may be another factory which looks like it is ruining the country and still it is making more efforts than the first one. As a result, the second factory is perhaps not bringing in profits, because the state forces it to buy raw materials at one price and then sell the finished product cheaply. In that case one must subsidize the product, and not the factory, because if one subsidizes the factory, one is subsidizing a factory which does not bring in profits. And why does it not produce profits? Because the state has issued a decree which has turned it into an unprofitable factory.

So, with all these problems, I started to worry even more when I read -- I think it was in the paper TRABAJADORES, and I take this opportunity to say that I like the workers' newspaper more each day [applause], with its new format and its contents; it has more information each day about the problems of industry, production, various subjects, with much seriousness. It is very useful for us, it is very useful for me. And the newspaper was discussing the textile factory of Ariguanao. And it stated -- I am almost sure it was TRABAJADORES -- it stated the workers of Ariguanao have had a tremendous success, the workers of Ariguanao have a high percentage of workers directly in production -- I think it mentioned 87 percent, the leadership is only about 2.2 or 3 percent -- I do not know how many technicians, and so forth. They have been able to produce 55 million square meters -- that is, almost over 90 percent of its designed capacity -- and they have reduced their losses to 2 million [unit not identified].

All this is strange. How can a factory which increased its number of workers and reached its projected levels of production be losing 2 million? Why? One should wonder if they have low efficiency levels during the day, and if the factory is operating well, despite roof and ventilation problems. I know they have to put tents over the machines when it rains. Who knows how many years they have spent doing this, working in these conditions. Why the losses if the factory is working well? There is something wrong there. Economists should visit the plant and study all those details.

What factors make a factory unprofitable if it is operating well? It is an interesting problem if we wish to speak about profitability and if we wish to use profitability as a means to measure efficiency. What are our costs of production? We must analyze the factors that determine costs. We must review the prices that are paid. We must measure the technical level of the factory, if it is behind technically. If workers are able to reduce expenditures and costs to a minimum, it would help.

Maybe a factory loses because the prices that are paid are arbitrary. A factory loses when it is forced to sell at a lower price than the costs of the raw materials.

We must be prepared to report on the conditions of each of the factories regarding costs. We must be aware of the problems that determine their profitibility. This would bring great economic knowledge to workers. Sometimes a factory is unprofitable because of its technological level, but the country needs to keep it running because it does not have any other place for the workers. We cannot create social problems. We cannot retire people to reduce personnel. Workers must be aware of the problems. They must know what the costs are in their factories. They must know why their factories are profitable or not. Because if subjective factors are to blame, they must begin fighting against those factors. If objective factors are to blame, then they should include them in their report so we can exchange the machine for a newer one when we can. If a factory cannot be profitable under one set of objective conditions, we should change them. We must be aware of all these things, and we must be able to deal with them if we want to know whether a factory is efficient or not. If we do not know the costs, if we do not know all the factors, and if we do not introduce changes in the system, we will not know whether we are being efficient or not.

I have asked our sugar industry comrades to tell my why most agro-industrial plants are not profitable. I said, tell me if it is because they have an excess number of workers, if they are not being used efficiently, if resources are not used efficiently, or if additional costs were added on to their original estimates. Tell me why. And tell me if there is an agro-industrial plant that is profitable. Why is one profitable and another one not, I asked. We must detect the subjective inefficiencies to fight them and correct them. The ministry and each of the plants' workers must know about them to correct the inefficiencies. At one time it was said that the operation was not profitable because spare parts were too expensive and that possibly spare parts salesmen were getting rich. This situation adversely affected the sugarcane industry.

We must review all of these factors to determine how the lack of organization, the administration, the inefficient use of the working day, the excess number of workers, indirect labor, old technology, and objective factors are adversely affecting factories.

We must also know what adverse factors are of an objective nature so that we may analyze the situation, because if we simply say: This factory works well because it is profitable, we should applaud it, and this one works poorly, it in unprofitable, we should criticize it, we could be praising one that produces profits easily and criticizing another that we have forced into being unprofitable. We do not get any clear benefit out of this, we do not even find out that we have to change old machines for modern ones. We have to increase productivity and do it now. The workers and the labor unions should not leave this up to the brains, to the enlightened, the technocrats, the superintelligent. All the workers should know the problems of their work centers. This is important. [applause]

If the worker does not know what produces profits, he will not be able to do anything and will not be able to help. If we do know profits are produced then we can draw up a program for ourselves. This could be done by the party, or the union, the youth, or by these gentlemen. Then we could say: This factory is old, it is unprofitable, but if we do this and that, the factory will not lose a penny. We could also reduce operations and then we can say: This factory used to spend this or that amount, we were losing this or that amount, and we have reduced to 1 million [no currency specified] what used to be 5 million in losses. And we have to speak out and say: Its technological level is not high enough.

We could say: This other factory turned a 6 percent profit. This second factory, however, did not do a good job because the technology it has at its disposal, its possiblities, would allow it to obtain a higher percentage. It should have had a 10 or 15 percent profit, had it eliminated this or that.

This way we would be implementing economic knowledge. We cannot live off lies and myth.

This is one of your tasks. I am taking advantage of this meeting to ask workers to get interested in this. You do not have to rush into it, but start thinking about the factors that determine profits and losses, and let's turn our mechanisms into efficent assistance for economic leadership and efficiency.

Another problem that I wanted to touch here is this: There have been so many salary reforms and so many things. We have had salary reforms that hiked already-high salaries. But I really think that no one remembered the workers who are earning less. Right now, as a result of the measures that have been adopted, we have noticed that there are still quite a few people whose income is under 100 pesos. This is the truth.

I have asked Comrade Linares to give information about idle workers. Those who are not idle have other possibilities, although there are workers in auxiliary positions in hospitals and schools... [changes thought] in addition to this we have been considering improving salaries; some salaries have already been increased, such as those of hospital employees, in our search for improved services.

Those who work at the leprosarium and similar places used to earn the same as employees who work in different conditions, but the former work under abnormal conditions. We are also considering seniority. The salary of doctors, nurses, technicians, and everybody else has been improved in recent years, but auxiliary workers remained forgotten.

There is a surplus of personnel. There is going to be a program to redistribute them. No one will be left out, on the streets. There will be new hospitals and expansions and the number of required workers will increase. Brigades are being organized and useful work is being carried out.

Workers who work on a time basis, who have to work an 8-hour day, the unlinked who get paid a salary and do not get paid based on their productivity -- how many of these do we have? How many of these workers earn less than 100 pesos? There are some who can earn less because they work only 4 or 5 hours. I am talking about those who work 8 hours a day for a salary and who are not unlinked.

And there are tens of thousands, more than 100,000. Perhaps more than 150,000. How many workers are earning less than 100 pesos, and how much would it cost to hike their salaries to 100 pesos? This does not mean that we could not go for 105 and 110. We will have to review this as we get resources. As we save on one hand we can distribute with the other.

The measures that have been adopted were adopted not for the benefit of our internal finances but mainly because of the foreign exchange situation, to save on imports. This is the reason for the measures on milk and rice. To be able to maintain the parallel market we have to hike prices there. This brings revenue. There were the measures on electricity and transportation. These also produce revenue. This way we secured resources to distribute among those who were receiving less than 100 pesos from Social Security.

Now we can use resources to distribute among workers -- but not among those who earn 500, or 400, or 300, and there are families where three people work and their income is 100 pesos each for a total of 300 pesos, but there are people who only have an income of 100 pesos.

We have to carry out a study to hike to 100 pesos the salary of these workers, auxiliary people who have to work 8 hours for a salary. We have to hike that as soon as possible. As soon as the ministry... [applause]

I sincerely believe that with the resources resulting from these revenues in future years we must improve the situation of those who have the lowest salaries.

The moment will come when we will say: We are not going to make them equal, but we are going to balance them out.

If there are workers still making 105 pesos, and we can give them an increase, we could also do it. A construction worker has told that the CTC is unable to retain elevator operators because they make -- I do not know how much -- 85 pesos. Perhaps they would stay for 100 pesos. We do not know. They stay 3 days then leave.

Some comrade was telling me that construction work helpers make 105. I believe that with whatever we save or collect as a result of the measures, we should selectively improve some of these salaries, starting from the lowest, because it is becoming a headache to find personnel to perform some jobs.

The salary reform hiked the higher salaries. This of course, makes evident a certain mentality: I am going to ignore humble workers. This is characteristic of people who do not care about the problems of humble workers, of people who easily resign themselves to larger inequalities in society. We cannot go the way of equal salaries because that would go against the proposition of each according to one's abilities and work. But how can we establish fairness in salaries, really? If one does not have great intellectual capabilities or the energy of a port worker, then some workers need a large dose of self-denial and a spirit of sacrifice. There are those comrades who do the cleaning and sweeping in the hospitals. I appreciate the surgeon who does transplants, the speicalist, and if in addition to this he is a professor, he should make 350 or 400 pesos. This is proper. But I cannot undervalue other human beings -- workers who carry out difficult jobs -- and forget their material needs. We must at least show them that society appreciates their work; otherwise, we will soon fall into a society of hierarchies with a series of social categories. We would then be revising capitalism. We must improve this a bit.

Of course if there are a million of them, you could say: Wow! 1 million, 10 pesos more would mean 100 million, 120 million a year. The situation may be what we do not have those kind of resources.

I believe that in the framework of the principle that each must receive according to one's work, income cannot be equal although some may have more needs than others. We must not fall through our salary policy into this sort of historic forgetfulness in which we have been falling; we must improve this policy.

These people have to pay electricity, bus fares, lunch. We have to analyze the situation. When we estimate our revenues and savings, we will see what potential we have to rectify some of these injustices. We can call them injustices, this forgetting, this situation that involves people who do not do the work of big intellectuals but who carry out honorable, useful, and indispensable work for society. [applause]

We have to get used to thinking. Often we believe that this is a problem of big intellectuals, of big theoreticians, of big brains: but these are real and practical problems of life. This is not in books. Let no one think that by taking a course one Marxism-Leninism we know all about the problems we are discussing now or about th situation of the hospital auxillairy employees, of those who do the sweeping in the hospitals, or the schools, or child-care centers. Their problems are not listed in any book or manual. It is not mentioned in classrooms. We study theory in classrooms but we have to implement that theory and the essence of that theory to resolve problems in practice, without falling into idealism or extremist or equalitarianism.

You could say: There is no equalitarianism. That is right, there is no equalitarianism. That does not correspond to the phase we are going through. We are not in communist phase. However, by saying there is no equalitarianism, we could resign ourselves to some making 85 pesos while others make 850. We could ask: Is this fellow's work 10 times more important than the other's? Worse yet, there is the case I mentioned of a fellow who was earning 50,000. I wonder: Is his work 500 or 600 times more important than he who sweeps floors?

What about someone who earns 100,000? You could wonder: Is this fellow's contribution to society more than 1,000 times important than that of the other fellow? We do nothing and he earns 100,000; or 1,000 here, 1,000 there. Do we have any moral right to resign ourselves to this situation of one making only 85? Of course, if you get used to the idea of someone making 85,000 -- and you think that is wonderful, success -- you certainly are not going to remember someone who makes 85. I think we are getting into the essence, into what is ours, [applause] analyzing our problems, our concepts, and our ideas.

We do not have to tell anyone how to build socialism, but we have the obligation to tell ourselves how we have to build socialism in our society. If our people have been prepared to defend socialism because of its justness, in spite of mistakes and negative tendencies, would not the people be prepared to defend superior values related to the concept of socialism? Undoubtedly, we will be ready to do it, and why not? We are a small island. It must not be very difficult to resolve our problems. The people are happier now: Let them give us good solutions. This is a good solution; we are applying it; it produces results.

We not only have materiel production; we also have services. In the services area, it is not possible to link production and work-hours [vinculaciones]. That would be very difficult to do. Services include multiple occupations, stimulus for those on irregular schedules, fair salaries. It is impossible to make such links. How could we establish such a link for a surgeon here? Of course, if you abuse the idea, one could end up establishing this link, and what are surgeons going to do? Ten operations every hour, or every 5 hours, or 6 hours? Why are we going to change the concept and link the family or hospital doctors?

What we want to have is a well-trained doctor, one with awareness; one committed to his work, to his patients, to his neighbors; one who will do a good job. Imagine how many bookkeepers we would need to keep track of how many patients a doctor saw so that we pay him at the end of the month! You cannot have a link there. It is difficult. What we must demand is good training and quality.

In the services areas, I have offered the defense field as an example. How can we pay an officer who has been on two, three, four, or five internationalist missions? Gentlemen, do you think we can tell him: Look, for so many years, this; for the internationalist mission, that. Can we? This is another work concept. It is a communist concept. We must instill this in the doctor, in the soldier, in those who are engaged in important activities. Everybody knows it would be ridiculous -- and a soldier would be terribly offended -- if we were to tell him: Look, we are going to pay you according to the number of people you kill in combat; and to a commander: We are going to pay you for the number of victories.

Society expects a certain behavior from them. Good pay and social consideration is fair, yes. It would be idealistic to ignore the need for establishing the link wherever production can be specifically measured, but in activities where tremendous physical efforts and will is required, it would be idealistic to establish the link. That would be a mistake. We are far away from that yet. I think that some day we will have that kind of man, if we do not forget the role of the party, of awareness, of education, of revolutionary culture. If we do not forget that, someday we will have that man, the same way we have that kind of attitude in these military men, in doctors, in teachers. Those people function based on another concept.

Political work is what is needed there. The party has a broad job in society. If there were an increase in the number of employees in the services area -- and I refer to economic services, such as those provided by an automobile mechanic, a service that has a material essence -- and intellectual services, this situation cannot be resolved by these types of mechanisms. We have to understand things as they are. So many years cannot have passed by in vain. We have to have more maturity, more experience, more ability to think. This is what I have been saying: You have to think about these things.

Workers have continued to think about these things. Labor cadres must think about these things, which they will not find in either books or theory. This is how we will gradually enrich our practice and theory in the construction of socialism. I do not know when the next congress is scheduled. Is this so? [He asks someone, who then answers: "Yes."] We still have 2 years to go. Let us see how many responses we can get and how far we have progressed by then. We have already committed ourselves with Pedro in our participation in the construction congress. It is more important that 500 workers be prepared to tackle this challenge and situation. A meeting is always held Thursday or Friday. But let them, however, have clear solutions for the next CTC congress so we can have a historical congress, with the ability to find theoretical and practical solutions to the problems that have been presented here.

Labor movements need not to worry about salary and living conditions, which are so important for the labor movements. This labor movement is not a simple professional organization. It is a mass, political organization. Socialism has been called in to play a more important role in its responses, considerations, analyses, and solutions.

Regarding this problem of socialism, I recommend that you be certain in which party you have the greatest strength. [applause] In this battle, we must correct mistakes and seek and correct their negative consequences, for the construction of socialism and communism in our homeland. [applause] Homeland or death, we will win.

JAMAICA

SEAGA URGES IMF FLEXIBILITY, LESS PROTECTIONISM

FL271857 Kingston Domestic Service in English 1130 GMT 27 Jan 87

[Excerpts] Prime Minister Edward Seaga says economicalistic [as heard] countries have no alternative but to implement the kind of austerity measures prescribed by the International Monetary Fund, IMF, but the IMF has to be more flexible in its approach.

Mr Seaga, who was speaking in Washington on the VOA program "Press Conference USA" yesterday, said a country is no different from a household. If it spends more than it earns, it will have to borrow to make up the shortfall.

But, Mr Seaga said, the International Monetary Fund must allow more time than usual for the patient to regain health. [passage omitted]

In the interview, the prime minister expressed optimism of Jamaica's growth prospects and said the garment industry in particular was growing at a fast pace.

Mr Seaga again voiced his concern about U.S. protectionism and called on the U.S. Administration to omit the Caribbean from any future restrictions. [passage omitted]

NRC HANDELSBLAD NOTES BOUTERSE WANTS GOOD RELATIONS

PM221611 Rotterdam NRC HANDELSBLAD in Dutch 16 Jan 87 p 1

[Unnamed "own correspondent" report: "Bouterse Wants Good Relations With the Netherlands"]

[Excerpt] Amsterdam, 16 Jan -- Government leader Desi Bouterse has declared that Suriname still wants good relations with the Netherlands. He described the request to The Netherlands for the recall of Ambassador D.J. van Houten as unavoidable. "These steps had to be taken in order to get out of the impasse." According to Bouterse, Suriname is now looking at "how cooperation can be optimized." Suriname will try to "clean up" cooperation with the Netherlands "at the highest political level."

Army leader Bouterse took this conciliatory line in an interview with Surinamese radio. A meeting of the Supreme Council, the highest government body in Suriname, to discuss the ambassador question was canceled Wednesday [14 January] because, it was said, "Army leader Bouterse was prevented from attending." [passage omitted]

NEW CONSTITUTION VOTE SLATED FOR 31 MARCH

PA260222 Paris AFP in Spanish 0035 GMT 26 Jan 87

[Text] Paramaribo, Suriname, 25 Jan (AFP) -- On Saturday, the nine groups represented in the Topberaad (the supreme consultative council of Suriname) reached an agreement on the three representative branches that will be incorporated in the constitution of this former Dutch colony. The new constitution will be put to a vote on 31 March.

According to the official report, the three representative bodies will be the National Legislative Branch (Parliament), the District Council, and the Area Council. The deicison of the Topberaad includes the conditions of government and the election to these bodies, the electoral system that will be applied, and the number of members that will comprise part of it.

The results of the Area Council elections will determine the composition of the District Council, and later the National Legislature (National Assembly). This system will have to be submitted for the consideration of the leaders of the groups represented in the council.

The Topberaad is formed by the February 25 United Movement (military men), the Javanese Party, the United Reformist Party, the Suriname National Party, the Federation of Workers, the Federation of Public Workers, the Progressive Organization of Workers the Association of Manufacturers of Suriname, and the Association of Chamber and Industry.

SLM BANNED FROM FLYING TO NETHERLANDS ANTILLES

FL241730 Bridgetown CANA in English 1711 GMT 24 Jan 87

[Text] Paramaribo, Suriname, Jan 24, CANA -- The Netherlands Antilles has banned state-owned Suriname Airways (SLM) from flying there because of outstanding hard currency debts to the national airline ALM, SLM officials confirmed. A. Mungra, director of SLM, said he regretted the decision by the Netherlands Antilles authorities, who have called for a firm agreement with SLM regarding the payment of the undisclosed sums.